



FAIR TRADE FACTS & FIGURES

A Success story for Producers and Consumers



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With pleasure I am offering you Fair Trade Facts and Figures 2010. It became a sizeable document thanks to the cooperation of many persons and organizations. Herewith, I want to thank everyone, because this research would not have been as valuable as it is now with their contribution.

Fair Trade is responsible production and consumption. It is a social and economical development model for companies and families that gives them the opportunity to fulfil their basic needs and develop themselves. For consumers Fair Trade is a way to consume in a corporate social responsible way that contributes to the wellbeing of themselves and the producers.

The prevailing strategic intent of Fair Trade is to:

- Deliberately work with marginalised producers and workers in order to help them move from a position of vulnerability to security and economic self-sufficiency
- Empower producers and workers as stakeholders in their own organizations
- Actively play a more substantial role in the global arena when it comes to achieving greater equity in international trade. (FINE 2001)

Fair Trade used to be a concept of development aid. Consumers in the rich countries helped producers in the poor countries by buying Fair Trade products. These days, Fair Trade is a concept of sustainable development for producers and a concept of responsible consumption. Given the development in Fair Trade the last years it is logical to add the issue of Fair Trade as intent to create the way to responsible consumption to the list above.

This 6th edition of Fair Trade Facts and Figures demonstrates that Fair Trade does indeed achieve what it sets out to do. Working with some of the poorest people in the world, helping them to organise in groups, associations and networks, supporting them to build their capacity to make good quality, Gifts and Living products (or grow commodity crops more efficiently in an eco-friendly way), providing market access, lobbying for official recognition of Fair Trade and fairer international trade terms, Fair Trade continues to transform lives for the better. Numbers are not huge but they are significant. Global Fairtrade certified retail sales of mostly commodity food products, reached Euros 3.4 billion in 2010*. The Gifts and Living producers in the South who responded to the survey reported sales in export and local markets of Euros 43.8 million. This means a final retail value of Euros 438 million.

This is the first time that the researchers have taken Fair Trade producers as a starting point for research and focussed on the impact Fair Trade has on them. Previous editions concentrated on the import and sales of Fair Trade in the Global North. The result is a much richer and more complex piece of work.

The survey finds that most Fair Trade activity takes place in the informal economy with little support from governments. The informal economy provides the most employment, outside agriculture, in all developing countries. It is growing as formally employed workers lose their jobs as a result of the global economic downturn, and have to look for informal alternatives to earn a living. Growing awareness of Fair Trade throughout the world and greater visibility and voice for informally employed women and men engaged in Fair Trade activities could provide an opportunity for governments to cooperate with Fair Trade organizations, learn more about the conditions of informally employed workers and to respond to their needs.

The survey shows that awareness of Fair Trade, the principles that it works to and its impact is growing worldwide. As prosperity increases for some and middle classes grow, so does the market for local Fair Trade. Fair Trade shops (Worldshops) are opening everywhere to provide Fair Trade products to local consumers with a conscience, there are towns in Brazil, Costa Rica and Ghana participating in the Fairtrade Town campaign and FLO initiatives appear in non-Western countries. Moreover, consumers are open to even more change. Global research of Timothy Devinney shows that 54 percent of consumers are willing to pay more for Fair Trade or sustainable products**. TNS NIPO, a Dutch research centre, shows that 55 percent of consumers want to consume in a corporate social responsible way***.

Fair Trade importers linked to networks of Worldshops were at the forefront of the growth in Fair Trade sales in Europe. The importers work in partnership with producer organizations to build capacity, strengthen organizations, improve efficiency and understand impact. The Worldshops, which sell significantly more Gifts and Living than food products, take part in local initiatives to create even more awareness of the need for Fair Trade and trade justice such as those described in this edition of Facts and Figures: the Fairtrade Towns Movement, Fairtrade Fortnight, World Fair Trade Day and Fairtrade Week.

This research is the first of its kind. It should not stop here. I would like to see something less statistical and more reflective in the future. I would like to see fewer numbers and more about the reality of producers' lives. Impact is not just a matter of figures. It is about how Fair Trade affects the people, the organizations and the communities within which it works and what difference it made for the better. I would also like to see something on the impact of the consumers. Does Fair Trade affect their lives? You can see how research raises new issues, but this is helpful, since answering these questions creates a new perspective on the future. And Fair Trade has the future.

Huub Jansen, Director Dutch Association of World Shops

'Free' trade does not necessarily imply 'fair' trade. Existing regulatory institutions are not particularly well equipped to strike the balance between free and fair trade. The World Trade Organization often operates as a sort of lobby group against any infringement on its free trade mandate, governments of developed countries apply double standards and primarily liberalize those areas of trade in which they have (or hope to have) a competitive advantages. Development aid, then, becomes a sort of compensation for the continuation of very unequal trade relationships. Fair Trade however – with its introduction of labels and requirements – can also function as a barrier to entry for producers in developing countries. Within this context it is understandable that developing countries plead for 'trade instead of aid'. As a bargaining strategy this is understandable, as a development strategy this reasoning has serious flaws – not least because no country has ever developed on the basis of free trade alone. The challenge becomes not a choice between free or fair trade, but how to search for novel combinations and novel directions of trade.

Three developments are noteworthy: (1) the increasing willingness of bigger developing countries such as Brazil, China, India or South Africa to combine trade and development policies (to move beyond the old 'Washington consensus' model of development), (2) the increasing importance of partnerships between firms and NGOs to develop new business models that combine free and fair trade (to move beyond the old way of doing business), (3) the growing importance of south-south trade and investment. The Wereldwinkels and the Fair Trade movement are part of this movement. In some respects they have been actively shaping these developments. That does not mean, however, that their position is undisputed. Fair Trade is not mainstream yet. Novel developments require novel answers to existing problems. In the 2010 Max Havelaar lecture, it became clear that the Fair Trade movement has a considerable ethical appeal, but often lacks the power to pursue this. This dilemma was framed as follows: Power without ethics is worthless; Ethics without power is powerless. The challenge we face at the moment is effectively to make use of all the sources of power available (the power of finance, retailers, scientists, NGOs, producers and politics) in order to move from a reactive – hard power – approach towards corporate responsibility to a more pro-active – soft power – approach. Soft power can be exerted by the power of imagination and ideas (framing) and by the power of working together (partnerships).

In a broadcast conversation I had with Rob Cameron, Chief Executive of Fairtrade Labelling Organizations (FLO) International in October 2010 (see; www.maxhavelaarlecture.org),

we discussed what is needed in the Fairtrade market at the moment. We exchanged views on all elements of power. In particular a new trend seems to be encouraging for the Fair Trade movement, increased South-South Fair Trade, where Southern producers no longer sell solely to consumers in the North but also sell their products in local markets or in neighboring countries. The timing of this report published by DAWS, focusing as it does on the impact of Fair Trade on producers in the South, is excellent. Fair Trade develops in a complex and often inimical world, which makes it all the more important that its protagonists learn from their own experience in order to increase the effectiveness of the movement. This report contributes to that. Fair Trade is much more than just an alternative method of trade; it is an instrument for the creation of a better outlook for all of us.



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According to the United Nations, 1.4 billion people earn an income below the international poverty line of € 0,90 (\$1.25) per day, while 27% of the population in developing countries live in extreme poverty. In the developing world 25% of children under the age of 5 years are underweight. Each day, about 25.000 people die due to hunger related causes, of which the majority are children. Oxfam mentions that 97% of the income that international trade generates benefits the nations that are rich or have a middle income. Consequently, 3% is left for poor countries. The world is devastatingly out of balance, rendering an individual's state of well being a lottery ticket to where you are born.

Yet for over 50 years, the Fair Trade movement has been working hard to address the issue of poverty among marginalized producers in the South. Paying a 'fair price', creating better trading conditions and promoting sustainability enables producers to enhance social and environmental standards, thus working towards improvement of quality of life in the most disadvantaged villages in the world. Child labor and exploitation are tackled, children are able to get education, and producers can invest in machines, new cultivation and environmentally friendly production techniques. Farmers unite, so that they stand stronger in their negotiations with companies and the government, and their knowledge increases. In other words, producers that participate in the Fair Trade movement are able to take their future into their own hands. But Fair Trade is not only concerned about the people in the industry, Fair Trade also addresses major global challenges, such as accelerating climate change and worsening environmental conditions. The WFTO is developing the Sustainable Fair Trade Management System (SFTMS), which is designed to transform any business in its entirety, including all products and services, into a sustainable fair trading business.

Over the years, multiple success stories have been witnessed. In combination with research, they reveal the extraordinary impact Fair Trade has had and still has on the lives of people in disadvantaged positions. In recent times awareness among Northern consumers has increased explosively, sales figures have boomed both in the North and in the South, and the number of producers that are member of the World Fair Trade Organisation has increased tremendously. These known success stories are often local, aimed at a specific industry such as coffee or cacao beans, or limited statistics are available. Therefore, this publication focuses on the impact of Fair Trade, with special emphasis on the impact Fair Trade has on the producers. The findings are based on information produced by Fair Trade Organizations from a survey of producers, networks and associations, with a response rate of about 46%.

Even though other initiatives have the same intention as Fair Trade and claim to trade 'fairly', they have not met the criteria as defined by FINE. Therefore it is important to set out what Fair Trade entails and what the qualification criteria are. An interesting development is that awareness in Southern countries is also rising. Sales do not only occur in Northern countries anymore, but also locally, even though logos and/or certification are not necessarily used. Each in their own way, governments impact Fair Trade on each continent. In Africa political instability affects trade, in Asia producers are worried about export regulations, although Asian governments have also helped the industry. In South America some governments seem to have certified corporations that have not fulfilled Fair Trade criteria, thus damaging the movement.

Internal issues, such as dealing with growth, quality control and innovation, also limit the success of the producers. Northern countries indicate that sales have increased, despite the economic crisis. Coordination between all the Fair Trade communities and movements is also a challenge. Looking back to the past shows some reason for excitement ; the Fair Trade movement began in quite a fragmented way with small, unconnected activities and has grown into an organised network with incredible Gifts & Living retail sales of € 285.7 million in the Northern countries. Obviously this means that the Fair Trade exports of Southern countries also increased, thus benefiting more people. This shows that in the North, Fair Trade has become more established. Next to the fact that Fair Trade creates thousands of jobs in developing countries, in Africa and Latin America they also specifically target women for recruitment as producers. As a consequence women are provided with a paid job and are being empowered.

Even though Fair Trade on its own cannot eliminate poverty, it does provide a major contribution to the achievement of this goal by providing access to fair working conditions, (export) markets, higher pay, equal treatment of women and men, and jobs.

Objective

The objective of this research is to provide a comprehensive and up-to-date picture of Fair Trade activities in producing markets around the world. Multiple Fair Trade regions exist worldwide, including the Americas, Asia, Africa, Pacific and Europe. Each of these Fair Trade regions has its own Fair Trade organisations, such as certifiers, suppliers, membership organisations, and associations. While previous publications primarily focused on the import and sales of Fair Trade, this publication aims to take as a starting point the producing countries and the impact Fair Trade has on them. The Fair Trade market will therefore be divided into four groups of players, being Producers, Importers, Associations and International Networks.

This survey was conducted by the Partnerships Resource Center of the Rotterdam School of Management on behalf of DAWS, the Dutch Association of Worldshops, within the scope of a larger project financed by the Dutch Ministry of Foreign Affairs.

Scope

This report concentrates on three categories of products:

- Goods produced by traditional Fair Trade organisations;
- Goods imported and sold by traditional Fair Trade organisations (mainly importing organisations and Worldshops) according to Fair Trade criteria, sourced mainly from small-scale producers;
- Goods imported and sold commercially with a Fair Trade label, indicating that the conditions of trade for these products have been approved by an independent organisation as meeting their criteria and standards. The research does not include wholesalers and retailers whose claim to trade fairly cannot be substantiated through a guarantee or independent monitoring.

Method used

A separate questionnaire was developed for each of the four different types of organisation:

- the producing organisations;
- the importing organisations;
- the national Worldshop associations;
- the international networks themselves.

Given that this report has a main focus on the producers, the survey was sent out to organisations identified via the membership lists of the WFTO regions and then contacted via the regional secretariats of WFTO Asia, WFTO Europe, WFTO Latino America, WFTO Pacific and COFTA (Cooperation for Fair Trade in Africa). In countries with sparse contacts, some private

persons were contacted alongside the institutional contacts to help with identifying other potentially relevant organisations.

The questionnaires were sent out in Spring 2010 via e-mail. Due to the way the questionnaires were distributed, we cannot say precisely how many were received but they should have reached around 400 organisations and people. This survey carries on where the five former editions left off, surveys which focused on the developments in Europe only (except for the fifth edition, which included the CAJUNz region). Not all questionnaires were of exactly the same format. Every type of organisation received a questionnaire tailored to its specific areas of interest. But among the producers, who make up the largest group of respondents, an important difference exists. The questionnaires obtained in Africa are different from those in Asia and South-America. This is because COFTA had just finalized some similar research, therefore they distributed a different questionnaire. Due to this difference, the information on trends and developments in Africa is derived from the Fair Trade Africa Forum 2010, a forum on the opportunities and threats in the African Fair Trade market, since all information on trends and developments in the different regions is derived from the questionnaire and these particular questions were not included in the COFTA questionnaire. However, the remainder of the questions are similar. In annex 1 it can be seen which questionnaires were used for each subgroup.

All data obtained via these questionnaires was first evaluated on both its relevance for the research and how many respondents answered, and based on this some questions were omitted from the research. The remaining data was entered in a large data form, ready for analysis. The answers that were given to the questions in the questionnaire were meticulously read and subdivided in categories, or areas of trends and developments. These categories of responses were then summarized for the research. Also, to provide an indication of the relative importance of each category, the percentages of responses that correspond to the categories were calculated. Three reasons for lack of data in the data form, were resolved by entering the reasons for its unavailability:

N.A.: Not Available (the question was not mentioned in the questionnaire)

N.I.: Not Indicated (the respondent did not answer this question)

N.R.: Not Relevant (this question was rendered irrelevant due to a previous answer)

This survey covers 47 countries, 10 from Europe plus the United States, Australia and New Zealand. This year producers were also emailed, which could be found in Africa, South America

and Asia. The importing contacts could be found in the United States, Europe, Australia and New Zealand. In total there were 169 respondents from the producing countries in the South, representing a total of 37 countries with a response of 10 from Bangladesh, 1 from Bolivia, 1 from Brazil, 1 from Cambodia, 3 from Cameroon, 1 from Central African Republic, 1 from Chile, 1 from China, 2 from Egypt, 3 from Ethiopia, 5 from Ghana, 1 from Honduras, 2 from Hong Kong, 11 from India, 5 from Indonesia, 24 from Kenya, 1 from Korea, 1 from Laos, 1 from Madagascar, 1 from Malawi, 1 from Mauritius, 1 from Namibia, 5 from Nepal, 1 from Nigeria, 2 from Peru, 6 from the Philippines, 31 from Rwanda, 1 from Sri Lanka, 11 from South Africa, 7 from Swaziland, 8 from Tanzania, 4 from Thailand, 1 from Timor-Leste, 9 from Uganda, 1 from Uruguay, 2 from Vietnam and 2 from Zimbabwe. From the importing countries in the North a total of 10 countries were represented with a response of 9 from Europe, 1 from the United States, 1 from New Zealand and 2 from Australia.

By the end of December 2010 a total of 182 questionnaires were returned, while around 400 were sent. This is a higher turnout compared to the year before, although a major difference is that these questionnaires have mainly been sent to producers, while in previous years the questionnaires were sent to importers. The response in 2007 was a total of 80 questionnaires out of a total of 306. For the 2005 edition 75 questionnaires were returned out of 126 sent out and in 2001 there were 59 returned questionnaires out of 76 questionnaires sent.

On top of the already familiar reasons for not responding (namely the high workload of many people involved in Fair Trade and the ever-growing number of studies, research projects, etc. in which the organisations are asked to cooperate) another reason seems to emerge: many organisations give very extensive and detailed information on their websites, sometimes including annual reports and financial reports with more than 100 pages. They may thus feel that all interesting information is already available, and in many cases they are absolutely right in believing so. However in many other cases Fair Trade organisations do not divulge much information on their websites.

An overview of the organisations which returned the questionnaire is given in Annex 2. The questionnaires received back by December 2010 represent 169 producing organisations from 37 countries in the South, 9 importing organisations from 6 countries, 6 Worldshop associations from 5 countries and 1 international network. The information received from the questionnaires proved not to be complete and detailed enough to offer a comprehensive picture of the over-all situation. Therefore it has been necessary to complement this in-

formation by a very time-consuming Internet-based research. Although a wealth of information is available on the Internet, it is often difficult to get hold of the details which are needed for an exercise like the present report. Information from the questionnaires and the Internet was used to write a first draft of the different chapters, which were then revised against other available background information, like books and brochures, annual reports and product leaflets.

Word of caution

As a result of the limited manpower available to many of the Fair Trade organisations which are the subject of this survey, it is not always easy to acquire up-to-date, accurate, and comparative figures from the sector. Therefore, this leaves room for interpretation and estimates of numbers.

Another source of uncertainty is that definitions and categories are not always used very consistently. This is often due to the fact that the national situations are very different and that concepts easily applicable to mature markets such as Switzerland or the United Kingdom may not or hardly be applicable to countries where Fair Trade is still a relatively young concept. Bearing these factors in mind, all caution was taken to ensure that the figures are as accurate as possible. In case of doubt, figures have been double-checked, and when figures from different sources varied considerably, the lower of the figures was used in order to obtain robust minimum estimates.

A shortage of detailed data makes it difficult to compile precise aggregate Fair Trade turnover figures. Consequently, multiple counting of the same product cannot always be recognised and taken adequately into account. Multiple accounting occurs, for example, when national figures for the turnover of a product might include both wholesaler and retailer figures. It also happens when sales figures of different importers are added together, if they happen to sell to each other within their country or internationally. Additionally, the literacy rate and the educational level of especially the smaller producers affects the quality of the responses. Some answers gave the impression that the person filling in the questionnaire did not entirely understand the question and occasionally calculation errors were made. A degree of caution is therefore necessary when it comes to evaluating aggregate turnover figures and interpreting the given figures.

The credibility of the Fair Trade movement would be enhanced if common definitions could be found for the central categories (like Worldshop, or active action group) and if data were collected in a systematic and consistent manner by all organisations involved.

Most of the figures presented refer to the year 2009/2010. As the financial year of many organisations does not match the calendar year, “2009” or “2010”, in this context mean the financial year between July 1, 2009 and June 30, 2010.

It should be borne in mind that even after the closing of the financial year it will often take between 3 to 6 months before audited accounts are prepared and figures become publicly available. Data contained in this report reflect the situation in the different countries as per the end of 2010. In the years to come, it would be beneficial if more efforts were made towards improving the quality of data available in the sector. Not doing so may very well lead to situations in which poor data becomes a point of serious doubt or criticism of Fair Trade in general.



The story behind fair trade

"Competition is a desideratum in our economic system, but it ceases to serve as an economic good when it becomes unfair. The concept of fair play should not be shunted aside on the theory that competition in any form serves the general good. Only Fair competition does that. Unfair competition is not competition at all in the truest sense of the word."

Schulenburg and Signatrol, 1964



1.1. WHAT IS FAIR TRADE AND HOW DOES IT WORK?

What is Fair Trade?

In order to present a good overview of Fair Trade, a clear and unambiguous definition of Fair Trade has to be given. In December 2001 the main four Fair Trade networks

- F**air Trade Labelling Organisations International (FLO), the former
- I**nternational Fair Trade Association (now World Fair Trade Organisation or WFTO), the former
- N**etwork of European Worldshops (NEWS!) and the
- E**uropean Fair Trade Association (EFTA)

Agreed on the following definition: "Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organisations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade" (FINE, October 2001).

"Fair" Intentions

The strategic intent of Fair Trade as formulated together with the definition of Fair Trade in 2001 is to:

- deliberately work with marginalized producers and workers in order to help them move from a position of vulnerability to security and economic self-sufficiency;
- empower producers and workers as stakeholders in their own organisations;
- actively play a more substantial role in the global arena when it comes to achieving greater equity in international trade (FINE, October 2001). The Urgency of Fair Trade

These strategic intentions of Fair Trade are proven to be especially important when considering that almost half of the world's population, or 2.8 billion people, is living on less than \$2,- (€1,45) a day, according to the World Bank (World Development Report, 2001/2002). This poverty creates many other problems thereby making these people very vulnerable. For example, people with a low standard of living are often not able to obtain a loan to start their own business, making it impossible for them to escape the poverty they are facing. And even when these people are able to start a small coffee or banana holding it is hard for them to influence, or compete against, the erratic and wildly fluctuating prices on the global markets.

Fair Trade is a way to help people work their way out of this type of poverty, by means of trading according to Fair Trade principles. The Fair Trade Principle covering 'Fairtrade Minimum Price' ensures that farmers get a fair price for the sustainable production of their traded goods (FLO: Annual Report, 2010), which should increase their business profitability and in turn their individual income. 'The Fairtrade Premium' which is charged on top of this minimum price, is invested in community development, such as education and health care. Moreover, price stability and predictable demand is promoted in order to reduce the vulnerability of developing countries to the previously mentioned price and demand fluctuations (Fair Trade: Benefits, 2010). The elimination of middlemen, usually wholesalers, further increases the profit margins for farmers (TransFair USA: Content, 2010).

The empowerment of employees working in Fair Trade can mainly be seen in the improvement of working conditions. Countless employees in developing countries work under iniquitous working conditions that often even violate human rights. Fair Trade aims to improve these conditions through fairer labor standards, in terms of a safer work place and a fair wage (TransFair USA: Content, 2010). The use of child labor, slavery and forced labor is forbidden (WFTO, 2010).

But Fair Trade is not only concerned about the people in the industry, Fair Trade also addresses major global challenges, such as accelerating climate change and worsening environmental conditions (Sachs, 2008). Environmentally sustainable farming and production practices are actively encouraged through the avoidance of agrochemicals and Genetically Modified Organisms (GMOs) and by promoting renewable energy, terracing, rotation and reforestation. Challenges such as soil erosion, water shortage and waste management are actively dealt with through the enhancement of the sustainability of tillage, irrigation and crop rotation methods (TransFair USA: Content, 2010). The elimination of middlemen also plays a role in this area of Fair Trade, since it, together with the aim to buy locally whenever possible, reduces transportation distances and therefore CO₂-emissions.

The Dutch Association of Worldshops and its way of stimulating Fair Trade

The Dutch Association of Worldshops therefore tries to encourage the growth of Fair Trade worldwide by stimulating this type of trade in four ways:

1. producing products in a respectful way, for people as well as the environment;
2. maintaining sustainable trade relationships;
3. offering support in both product development and in ways to conduct business;
4. enhancing transparency of the Fair Trade market (DAWS, 2010).

1. *Respect for both people and for the environment*

According to DAWS, products have to be produced and traded in a way that is respectful towards both humans and the environment. DAWS does this by aiming for honest supply chains, by means of the empowerment of women and the absence of discrimination due to race, sex or religion. Producers have to provide decent working conditions. Workers must be free to join labor organizations such as Trade Unions. Activities needed to produce fair products must not represent a heavy burden on society and child labor is prohibited. Children can take part in the production process, but only in voluntary, minor roles, and only in addition to school and play. Furthermore, producers and their employees should get 'fair' wages and should get a 'fair' price for their products, which makes it possible for them to make a proper living, based on local standards. DAWS researches and checks this by visiting producers all over the world (DAWS, 2010).

2. *Sustainable Trade Relations*

Importers of Fair Trade products show long term commitment to producers, in order to offer them security for a longer period of time. Patience, support and time is needed to help these producers to develop a profitable and secure business (DAWS, 2010).

3. *Support in product development and in ways of doing business*

Next to the security that long term trade relations offer to the producers, support and advice is necessary as well. DAWS tries to encourage importers to help producers by advising them, providing them with extra credit, or mediation. Furthermore producers are provided with information about consumers in the West, so that they are able to meet consumer demand and are able to explore new markets. By working with producer organisations the goal is to make producers independent to such a degree that they are able to sell outside of the Fair Trade channels as well (DAWS, 2010).

4. *Transparency of the supply chain*

DAWS cooperates with importers in the Netherlands, who act on behalf of the Worldshops. These importers meet the requirements of Fair Trade. In order to make sure that all trade happens in a fair manner, transparency of the supply chain is very important. All partners in the fair supply chain offer transparency in their way of trading and conducting business. This transparency and openness characterizes the fair supply chain (DAWS, 2010).



Fair Trade according to the WFTO

The World Fair Trade Organisation sets standards that are comparable to DAWS' Fair Trade requirements. The ten WFTO Fair Trade principles that Fair Trade Organisations must follow in their day-to-day business and that are monitored by the WFTO are the following:

1. Creating opportunities for economically disadvantaged producers by helping them to move from income insecurity and poverty to economic self-sufficiency and ownership by means of Fair Trade;
2. The organisation has to be transparent in both management and commercial relations and has to be accountable to all its stakeholders. Employees are involved in the decision-making processes and information is open to all partners in the supply chain;
3. Relations with Fair Trade partners are based on solidarity, trust and mutual respect. The organisation communicates effectively with its producers and does not maximize profit at their expense. Instruments such as interest free pre-payments can be used;
4. The items are traded for a fair price, that has been agreed upon mutually by all partners. A fair price also includes fair pay for the producers, and equal pay for equal work by men and women;
5. The organisation adheres to the UN Convention on the Rights of the Child, and national/local law on the employment of children. Any involvement of children in the production of Fair Trade products (including learning a traditional art or craft) is always disclosed and monitored and does not adversely affect the children's well-being, security, educational requirements and need for play;
6. The organisation does not discriminate in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, HIV-status or age, and provides opportunities for women and men. Furthermore, special health and safety needs of pregnant and breastfeeding women are recognised and taken into account;
7. Working hours and conditions are safe and healthy and comply with national and local laws and ILO conventions;
8. The organisation helps its employees and its members to develop their skills and capabilities, such as management skills, production capabilities and access to markets;
9. The organisation raises awareness of the aim of Fair Trade and of the need for greater justice in world trade through Fair Trade, by means of honest advertising and marketing techniques;
10. The organisation tries to maximize the use of raw materials from sustainably managed sources in its ranges, buying locally when possible, and tries to minimize its impact on the environment (WFTO, 2009).

In chapter 1.4 the requirements products have to fulfill before using the Fair Trade logo will be discussed.

1.2. NORTH VERSUS SOUTH

The common division of North versus South is often used in the Fair Trade industry. North represents the developed markets, whereas South represents the developing markets. In Fair Trade the South is furthermore the producing side of the Fair Trade supply chain; this is where most Fair Trade products originate. In this report, the South is seen as consisting of three continents, Africa, Asia and South-America. Each of these continents will be discussed separately in each chapter. The North on the other hand, represents the consumer side of the supply chain and forms the main market for Fair Trade products. However, as will be discussed in chapter 4.2, a new trend is slowly arising: it is no longer only the Northern countries who buy Fair Trade products, local Fair Trade sales in the South are increasing as well.

1.3. FAIR TRADE: WHERE IT ALL STARTED

Where free trade has been the most common form of trade for centuries, along with protectionism and planned economies, Fair Trade is a relatively new concept. Free trade characterizes most of the developed markets and is seen by many people as being beneficial for all. Unfortunately free trade is subject to market failures as well, such as price discrimination. Free trade is not necessarily beneficial for all and might even lead to unfair trade at times. Examples of this are people who cannot afford to pay market prices and people for whom the entry barriers are too high and remain too high. Protectionist methods such as trade tariffs, trade quota and subsidies enhance this effect. Free trade supporters argue against Fair Trade by claiming that Fair Trade will in fact hinder fair competition by offering the incentive of overpriced products to enter the Fair Trade market. The high price will attract a larger number of producers to the market, leading to an oversupply of goods, which will eventually lead to lower prices in the non-Fair Trade market. But where free trade places its faith in the self-correcting abilities of the market for the good of all, Fair Trade points to the marginalized producers who are left behind, and advocates an active policy to improve their lives.

Tracing Fair Trade back to its origins, one of the first well-documented expressions of dissatisfaction with the free trade system came from an assistant resident employed by the Dutch East Indies, Eduard Douwes Dekker. Under the pen name of Multatuli he wrote a book in which he criticized colonial politics, titled 'Max Havelaar: Or The Coffee Houses Of The Dutch Trading Society' (Zook, 2006; Douwes Dekker, 1860). With this book, Multatuli managed to create awareness among

Dutch citizens who started to realize that their luxury came at the cost of human suffering elsewhere (Aram, 1985). In the 1950s, an alternative approach to the opposing ideas of a free or regulated market arose. The concept was called Alternative Trade and was sustained by the argument that international trade can be beneficial to developing countries as long as it is performed in an honest way. If successful, improved trading conditions for farmers and workers in the developing world would accelerate economic growth and subsequently be a solution to poverty. Many Fair Trade initiatives originate from this period, such as Ten Thousand Villages (formerly Self Help Crafts) in the United States, which started buying needlework from Puerto Rico in 1946, and SERRV International who began to trade with poor communities in the South in the late 1940s. In Europe Oxfam UK started to sell crafts made by Chinese refugees in Oxfam shops, in the late 1950s. Oxfam also set up the first alternative trading company, Oxfam Trading, in 1964.

The Netherlands played a significant role in the development of Alternative Trade. In 1959 the importing organisation SOS Wereldhandel (now known as Fair Trade Original) was founded. Other Dutch third world groups began to sell cane sugar with the message: "if you buy cane sugar you give people in poor countries a place in the sun of prosperity". The same group opened the first Worldshop in 1969 (EFTA, 2006). According to the European Fair Trade Association (2006), these shops have played a crucial role in the development of Alternative and then Fair Trade. In 1988 the Max Havelaar Foundation for fair coffee was founded, named after the key character in Multatuli's 'Max Havelaar' (Max Havelaar, 2011).

During the same period, many Non-Governmental Organisations and motivated individuals in the South started Fair marketing organisations which would provide advice, assistance and support to disadvantaged producers. These organisations established partnerships with the new organisations in the North, in order to fight for greater equity in international trade (EFTA, 2006).

Fair Trade also managed to attract attention at international political fora. Debates between the North and the South on the "New International Economic Order" were already taking place (UNCTAD, 2002). In 1968 UNCTAD (United Nations Conference on Trade and Development) adopted the 'Trade Not Aid' approach, which was considered to be more efficient and fair than providing development aid to the South (EFTA, 2006). Other agreements of UNCTAD in the same period encompassed the stabilization of international prices of export products crucial for developing countries (UNCTAD, 2002).

From that period onwards Fair Trade has primarily been associated with development trade and grew as a response to poverty and disaster in the South. At that time Fair Trade mainly consisted of the marketing of craft products. European NGOs assisted in establishing Southern Fair Trade Organisations that organized producers and production, provided social services to producers and exported to the North. Part of this activity was actually solidarity trade (EFTA, 2006).

1.4. CERTIFICATION AND LOGOS

Why make use of certification and logos?

Fair Trade can have many different meanings: COFTA in Africa for example, is really trying to make the entire supply chain fair, whereas others only look at the final production steps. COFTA makes sure that all the raw materials have been traded in a fair manner and come from producers in developing countries. In addition, there is also a difference in the focus of the initiatives. The WFTO regions, including COFTA, focus on non-food products, collectively referred to as 'Gifts & Living'. Very few producer members of the WFTO produce food products. FLO on the other hand, focuses on food products; most of its certified producers are farmers who grow commodity crops such as coffee and tea. A few are cotton growers.

In the Fair Trade industry it is therefore essential that Fair Trade which has actually been produced in a fair manner and meets all the requirements, can be distinguished from products that claim to be fairly traded. The customer needs to be sure that the products they buy are 100% Fair Trade products. Certification is a way of ensuring this authenticity and credibility.

Certificates, brands, marks, logos and labels

Before explaining the way Fairtrade certification works, it is important to provide the different definitions that one might come across in the Fair Trade industry. In this industry, as in most industries, one can distinguish between:

2. *Certificates*: An organisation has received a certificate, after having been able to meet the requirements and standards set by the Fair Trade organisations,. This has been tested in a formal procedure during which an accredited or authorized person or agency assessed and verified the attributes, characteristics, quality, qualification, or status of the organisation and its goods or services, processes and procedures;
3. *Brands/Trademarks*: A brand represents the identity of a business or organisation and can take many forms, such as a slogan, words, a specific color combination, symbol or sign. When a brand is legally protected, it is called a trademark;

4. *Logos*: A logo is a purely graphic image or emblem that represents a certain certificate and/or a certain brand. When a Fair Trade organisation belongs to the WFTO brand for example, this organisation can make use of the WFTO logo;
5. *Labels*: A label is attached to a product and serves the aim of product identification. In Fair Trade this means that when a product carries the Fairtrade label, it has been able to meet all the Fairtrade Standards and has been certified as a Fairtrade Product.

WFTO members use the WFTO logo on printed items and on their websites, whereas there are only a few producers of food, members of WFTO and license holders, who can use the FLO label.

True Fair Trade products from True Fair Trade Organisations

Many different Fairtrade certification and labelling organisations exist worldwide, but only some are recognised by DAWS as actual Fair Trade. The Worldshops in the Netherlands therefore only work with FLO labeled products or with products supplied by Dutch importers that have been certified by DAWS. There are two ways in which DAWS can ascertain that all its products are a hundred percent Fair Trade:

1. *By using the Max Havelaar certificate*
This well-known Fairtrade quality mark (with the FLO-logo) only trades products that meet the international Fairtrade criteria. At the moment, Max Havelaar is expanding from mainly food products such as bananas and coffee, to products such as cotton and rubber. The criteria for each product group are different, because production and trade are different for each. DAWS trusts the quality mark of Max Havelaar; this also prevents unnecessary double checking of products.
2. *DAWS's system of recognition and control*
Because many products in the Worldshops, such as scarves and jewellery, do not belong to the Max Havelaar quality mark, DAWS developed its own system of recognition and control. The production of many of these non-food products is so different, that it is impossible to develop a separate standard for each product. Dutch importers of Fair Trade therefore have to go through a recognition procedure, in which the importer has to prove that it imports by means of Fair Trade.

The labelling and certification standards of two of Fair Trade organisations, FLO and the WFTO, will be discussed in order to provide an idea of the meaning of Fair Trade Labels. Numerical information on the use of logos, the ease of compliance and the reasons why producers in the South do not to use the logos also can be found in this section.

The WFTO Mark and Logo

The WFTO mark and logo is not a product label; it is only meant for organisations that demonstrate a 100% commitment to Fair Trade in all their business activities. It can only be used by monitored WFTO Members and shows that an organisation follows the ten WFTO principles as mentioned in chapter 1.1. Organisations carrying the logo distinguish themselves from conventional commercial as well as other Fair Trade businesses, and provide a clear signal to retailers, partners, governments and donors that the organisations' core activities are conducted in line with Fair Trade principles (WFTO, 2011). The producers who are awarded this logo make products that are of the Gifts & Living type, i.e. non-food.

At the moment, the WFTO is developing the Sustainable Fair Trade Management System (SFTMS), which is designed to transform any business into a sustainable fair trading business. The difference between this and previous initiatives is that the SFTMS applies to an entire business and to all its products and services. This makes it possible to overcome the barriers created by FLO's system, which is actually meant for commodity products, and helps producers in local markets where no national labelling initiatives licensed to issue the Fair Trade label exist (WFTO, 2010).

The FLO Mark and Label

The Fairtrade Certification Mark of FLO is a product label primarily intended for use on product packaging. This label can mainly be found on commodity products, such as bananas, cacao, coffee, cotton, sugar, wine, fresh fruit, honey, juices, rice, spices and herbs, flowers and gold. Commodity products need to be a hundred percent Fairtrade, in order to be able to carry the Fairtrade label. For composite products consisting of multiple ingredients, such as a bar of chocolate, at least 50% of the volume of liquid composite products must be Fairtrade certified. For all other composite products the significant ingredient (for example cocoa in chocolate, sugar in conserves) must be Fairtrade certified, and must be at least 20% of the products' dry weight (Fairtrade International, 2011).

The Certification Process

The WFTO and FLO use different certification processes because they focus on different types of products, WFTO certifying Gifts & Living while FLO certifies food. Also, whereas WFTO mainly uses self-assessment, FLO uses external audits and inspections. Both certification processes will be discussed below.

WFTO

Organisations that wish to obtain membership of the WFTO, are required to write a Self-Assessment Report, in which they

explain their adherence to the ten WFTO Fair Trade principles. In these reports, the organisations have to answer numerous questions and have to provide supporting evidence, such as annual reports, records of payments to producers and employees and strategy and action plans. The reports are subsequently checked by WFTO's monitoring department, who provide the organisations with feedback. Both the Self-Assessment Report and WFTO's feedback are then checked by an external Fair Trade expert and receive a score. If the organisation scores high enough, it will be admitted to Fair Trade status and may use the WFTO logo to brand their organization as a Fair Trade organisation.

FLO

In order to become certified as a Fairtrade producer organisation of FLO, producer organisations need to go through an elaborate inspection and several audits. These inspections and audits are done by FLO-CERT, a separate company, that belongs to FLO. FLO-CERT checks compliance with the Fairtrade standards, in order to ensure that relevant social and environmental standards are met and that producers receive the Fairtrade Minimum Price and Premium.

FLO-CERT's qualified auditors are usually based in the countries and regions where they work and are familiar with local cultures, languages, and legal systems. Because it is impossible for these auditors to visit every single farm, especially when it comes to large producer organisations encompassing hundreds of farmers, FLO-CERT uses a 'group certification' model. This model includes the audit of the producer organisation itself as well as a random check of representative samples of individual farmers. These audits can take from a period of four days up to a period of six or seven weeks for the largest cooperatives. After the audit, a report is sent to FLO-CERT for evaluation, where the decision to certify is taken by an independent certification committee. When an organisation meets all standards, it will receive its initial Fairtrade certification. Annual inspections are held however, to ensure that companies continue to trade in a fair manner. Only when an organisation has shown exceptionally good behaviour over a number of years, will these inspections only be held once every three years (FLO-CERT, 2011).

Actual usage of certifications and logos by producers

Based on the returned surveys, we can see that from the 111 respondents in Africa only 30 make use of the WFTO logo, which is 27% (see Figure 1.1). The question concerning the usage of the fair trade label was not incorporated into their survey. In total 11 producers chose to use another logo (see Figure 1.2). The producers were allowed to give more than

one answer to the question why they did not use the WFTO logo. The main reason why they do not use it is because they are not Fair Trade certified. Secondly, they do not know how (see Figure 1.3). Those that make use of another logo, mainly make use of their own logo (see Figure 1.4).

Of the 51 respondents in Asia, 34 producers make use of the WFTO logo, which accounts for 67% (see Figure 1.5). 9 producers make use of the Fairtrade label and 17 producers make use of another logo (see Figure 1.2) The main reason why they do not use the logo is 'other', indicating that they have different reasons than the ones mentioned. Unfortunately 'other' was often not filled in. The second evident reason is once again because they are not Fair Trade certified. However, in Asia the number of producers that do not know how, that find it too expensive and those that do not find it necessary for their business, are equal (see Figure 1.3). The producers that make use of another logo, either make use of their own logo or of the FLO label (see Figure 1.5).

In South America all 7 respondents make use of the WFTO logo. In addition, one of them also uses the Fairtrade label and 2 of them make use of another logo (see Figure 1.2). The other two logos they use are Minka Fair Trade logo and FSC.

When the producers were asked whether they thought it was easy to comply with the Fair Trade standards, between 14% and 18% of the Asian and South American producers answered 'yes'. For African producers that answer doubled to 31%. (Please do take into account the difference in the number of responses, which might partially explain this difference.) In Asia 76% of the producers thought it was not easy to comply with the Fair Trade Standards, compared to 14% in Africa and 29% in South America. Both in Africa and in South America slightly above 50% of the producers decided not to answer this question (see Figure 1.7).

The future of Fair Trade and Fairtrade certification as a voluntary and private system

Fair Trade has been developed by civil society organizations as a different trading model in which trade is used as a tool for development. The voluntary and private character of Fair Trade has also made possible a real ownership of the Fair Trade concept by the Fair Trade movement and its constituents, especially producers. The rapid growth of Fair Trade since the 1990s and the simultaneous appearance on the market of a growing number of other initiatives that call themselves ethical or fair however has raised the question in public fora if some form of regulation or protection of Fair Trade would be necessary. The debate has mainly been pursued in two

arena's, the European Union and some member states and in the International Organisation for Standardisation (ISO).

European Union: In 2006 the European Parliament issued a Resolution on Fair Trade and development in which it explicitly recognized Fair Trade, its definition, principles and systems. The Parliament also noted that there is no legal protection of Fair Trade and that there is a risk therefore that the concept may be abused by companies entering the Fair Trade market. In the same resolution the European Parliament also noted that some member states had started legislative processes to regulate the use of Fair Trade and the criteria for Fair Trade organizations. In view of all this the European Parliament urged the European Commission to issue a Recommendation on Fair Trade as a light form of non-binding legislation. The member states concerned were France, Belgium and Italy. In all three countries the Fair Trade movement was involved in the legislative process and hoped for some form of protection of the Fair Trade concept. At the European level the Fair Trade movement via the Fair Trade Advocacy Office in Brussels supported the idea of a Recommendation while at the same time declining stronger binding European legislation, because of the risk of over-regulation and no longer having a proper say in the further development of Fair Trade.

Outcome: In 2009 The European Commission issued a Communication on Fair Trade (COM(2009)215 final) and other assurance schemes, recognizing the work done by the Fair Trade movement in setting up robust and credible certification and accreditation Fair Trade systems and recognizing the definition of Fair Trade as defined by the Fair Trade movement. The Commission did not go as far as issuing a Recommendation on Fair Trade, one of the reasons being that it did not want to give Fair Trade such a separate position in respect of other assurance schemes/ethical initiatives. Political developments halted the Fair Trade legislative processes in Italy and Belgium, but in France a law on small and medium enterprises was adopted and published in 2005 containing a section on Fair Trade (Art 60). Under this law Fair Trade Organisations and Fair Trade systems can be officially recognised. A Commission on Fair Trade was established in 2010 for this purpose. Outside Europe, Brazil adopted a law on Fair Trade and solidarity trade in 2010. The Brazil law a.o. provides for an accreditation system for Fair Trade certification.

International Organization for Standardization(ISO): ISO was established in 1947 to facilitate the international co-ordination and harmonization of standards. It is a non-governmental private body with 163 national standard bodies as members. ISO's raison d'être at its inception was creating technical pro-

duct standards, but with the advance of globalization and economic liberalization in the 1980s ISO first moved into quality standards, then into environmental management systems in the 1990s and in 2001 the ISO Committee on Consumer Policy (COPOLCO) started preparatory work on Social Responsibility. The development of a Guidance Standard on Social Responsibility (ISO 26000) was officially started in 2004 and completed in 2010, In 2007 also a proposal for developing an ISO standard for Fair Trade was tabled in COPOLCO. In both instances (ISO 26000 and ISO Fair Trade) Consumers International (CI) was a driving force behind the initiative against the background of the consumer right to be informed and preventing the risk of consumer confusion.

Outcome: ISO 26000 was published in November 2010 as the new ISO-standard on Social Responsibility for use by all types of organizations, regardless of their location or size. ISO 26000 is not meant for certification, but provides guidance on identifying social responsibility issues relevant to an organization and implementing social responsibility. ISO 26000 gives an almost encyclopedic overview of the different aspects of social responsibility. Even though it is non-certifiable ISO 26000 has the potential not only of introducing more companies to Social Responsibility and thereby improving overall performance in this respect but also of providing a

baseline for (Corporate) Social Responsibility. Because of its non-certifiability ISO 26000 however also carries a real risk of non-verifiable claims and thereby of market confusion. Depending upon market uptake and quality of implementation either way ISO 26000 will impact Fair Trade and Fair Trade markets.

ISO Fair Trade initiative: The COPOLCO-meeting in 2007 adopted a resolution establishing a fact-finding process to better understand the potential for problems associated with inaccurate and unreliable claims before taking decisions on the possible development of an ISO standard. As a follow-up an Ethical Trade Fact Finding Process (ETFFP) was set up with the aim of finding solutions to reduce the potential for consumer confusion created by inaccurate and unreliable ethical claims and thus building up consumer confidence in purchasing ethically traded products and services. The Fair Trade movement took an active part in the ETFFP. The Final Report 'Assuring Consumer Confidence in Ethical Trade' was issued in September 2010. Main recommendation was the development of a minimum requirements document for ethical trade (instead of Fair Trade). Such a document could be developed either by ISEAL, the umbrella organization for global environmental and social standards of which both FLO and WFTO are members, or by ISO.



This chapter discusses trends and developments in the Fair Trade sector. This also includes the challenges and opportunities ahead for players in the market. The findings in this chapter are mostly based on information obtained via the questionnaires (see Annex 3) and complemented with additional data found in official reports. Firstly, the trends and developments in producing countries are discussed, and subsequently, those in consuming countries.

2.1. SOUTHERN COUNTRIES

Producing countries are subdivided into three continents: Africa, Asia and South-America. On all continents awareness was identified as an area of trends and developments. This will be discussed separately in chapter 4.2. The remaining trends and developments are discussed per continent.

Africa

Next to awareness, four main areas of trends and developments were identified in the African countries:

1. Internal issues;
2. Labelling;
3. Climate change and
4. Market access.

1. *Internal issues*

Internal issues currently at play involve the necessity for better financing, greater empowerment of producers, and more capacity building. Small scale producers often run into problems as lenders require proof of stability. And because access to continued financing is paramount in building a competitive business, both producers and other players in the Fair Trade network will have to improve this. Also, producers should be empowered more to increase their competitiveness. This has to do with improving their access to information and helping them develop their business skills which are so important in remaining competitive. Different support systems and strategies are currently available for increasing producer capacity, but more needs to be done to align these.

2. *Labelling*

Companies in South Africa and Kenya have started using labels on their products, but in general, Africa is underdeveloped in this area. The year 2009 saw a great increase in Fairtrade certified producers. This provides an immense opportunity to Fair Trade players in the region. Producers indicate a need for streamlined and simplified certification standards. This, combined with the creation of a Fair Trade movement in Africa could greatly enhance the competitiveness of Fair Trade producers.

3. *Climate change*

The issue of climate change greatly affects the production capacity of Fair Trade producers, especially the ones that are active in the food businesses. Some Fair Trade producers have initiated actions to respond to this external threat, but efforts need to be scaled up. This might involve changing products offered, but also cooperation among producers to do their bit in mitigating the effects of climate change.

4. *Market access*

Compared to the high growth of Asian and South-American countries, the expansion of Fair Trade in African countries is slow. This can be explained by the absence of producer organisations that are effectively organized. Many African producers now rely on private exporters. As a result, profits on exports are lost (and these are usually higher than profits on domestic production). Some initiatives are taken to improve this. For example, in Tanzania, the Tanzanian Network for Fair Trade was established to link local producers to global markets.

Asia

Next to awareness, eleven areas of trends and developments were identified in the Asian countries:

1. Government policies;
2. Macro-economic variables;
3. Labelling;
4. Markets served;
5. Marketing;
6. Products;
7. External relations / value chain;
8. Cause;
9. Original ideas;
10. Internal issues and
11. other.

1. *Government policies*

Some respondents indicated that they were worried with the growth of neo-liberalism in politics and the resulting lack of concern for poor people. Others worried about the effects of political instability on their operations. Government policies were seen to both contribute to and deteriorate their businesses' profitability. Tax breaks, loose regulation and government help in cluster development were positive developments, but some export regulations are considered to inhibit trade. Overall, government is seen to increase its presence in the sector, which they consider a good thing.

2. *Macro-economic variables*

Several macro-economic variables such as currency rates and

the global economic crisis are seen as strong challenges to business profitability. No particular sales growth is indicated, but the respondents do identify an enormous opportunity in market growth. An increase in competition with mainstream producers is identified. The effects of this are magnified by the fact that high resource prices force up prices, while customers demand low prices.

3. Labelling

With the exception of Chinese companies that are not allowed to carry Fair Trade certification respondents in all countries identify an increase in the use of labelling. Some countries develop their own label, and others join existing label initiatives. Notable is the high number of respondents indicating that they wish to work with the Sustainable Fair Trade Management System (SFTMS).

4. Markets served

Even though the majority of customers is Western, a big change in markets served is witnessed by the respondents. Because of the global economic crisis and the relative growth of Asian countries, a local middle class has come into being, which provides the Fair Trade sector with new opportunities. More and more sales are local, which is reflected in the growing number of Fair Trade shops that are established. However, these local customers' wishes are different from Western customers', which poses challenges to the sector. Some respondents also indicate that they are expanding into new markets internationally.

5. Marketing

Relatively little attention has been paid to promotional activities in the sector, but it seems this is changing slowly. Some respondents indicate that they have scaled up marketing efforts and use Fair Trade as a promotional tool. However, this is still a challenge for many respondents.

6. Products

Many respondents indicate that demand has grown considerably for sustainable, natural, green and eco-friendly products. The quality of the products has become better over the years as well. The WFTO is now developing a label and control system for Gifts & Living (non-food). This might enhance market access for non-food products. Another trend in products is the increased use of recycled materials.

7. External relations / Value chain

Some respondents indicate that they are trying to improve relations with customers abroad to increase their presence in those markets. But the main area in which development

takes place is among producers who organize themselves in networks or other forms of cooperation. Sometimes these networks are said to be very effective, but many respondents indicate that these cooperative efforts need to be improved.

8. Cause

Some Fair Trade organisations indicate that they have plans to increase the amount of effort they put in to the cause they are working for. These causes differ considerably among the respondents, but to give some examples: some want to create more opportunities for rural women, others want to engage in community development activities and, again, others just want to make their businesses more accountable.

9. Original ideas

A plethora of original ideas have sprung up in the sector. Several examples are the establishment of bazaars, Fair Trade networks, forums, conferences and business associations, but also an increase in advocacy efforts or the creation of a franchise plan.

10. Internal issues

Almost all Fair Trade organization respondents mention the effect of internal issues of all kinds, now and in the future. Some internal issues are related to organizational growth, when they start having to deal with managerial and administrative issues that they haven't faced before, such as quality control. Others are about getting the right resources for the right price. This has proven more difficult over the years. Seasonality of demand raises difficulties in providing year round work to artisans.

11. Other

Some respondents provided this research with other insights. These include the customers seeming to want to know more about the products they buy; improving communication within the sector and, owing to urbanization and industrialization, a declining number of people in villages have handicraft skills.

Figure 2.1 in section 2 depicts the percentage of responses for each area of trends and developments, to see their relative importance to each other.

South-America

Next to awareness, eight areas of trends and developments were identified in South-American countries:

1. Cause;
2. External relations;
3. Labelling;
4. Markets served;
5. Government policies,
6. Products;
7. Original ideas and
8. Internal issues.

1. Cause

Several respondents indicate that there are problems within the sector when it comes to the cause. Fair Trade competes with the seal of social responsibility and some people claim that the principles of Fair Trade are applied corruptly which is distorting the image of Fair Trade. More honesty, transparency and justice is needed.

2. External relations

Producer organisations are organizing themselves more and more in partnerships with related organisations and each other. The WFTO is gaining ground in this continent.



3. Labelling

Also on this continent there is growth in the use of labelling. Some respondents indicate that they are using FLO or SFTMS certification and a Bolivian organisation states that the country has started its own Fair Trade label.

4. Markets served

The respondents indicate that several initiatives exist that further increase sales in local markets. They also say that they continue to search for new markets, even though no potential new markets are mentioned.

5. Government policies

On the one hand, governments are said to be increasingly interested in Fair Trade practices which the respondents consider to be a good thing. On the other hand, one government is accused by one of the respondents to be certifying enterprises that do not fulfill Fair Trade criteria which damages the movement. Another example of interference is the US Government's requirement for safety certification for toys.

6. Products

One respondent indicates that they are researching the possibility of entering the Fair Trade food market.

7. Original ideas

All indicated ideas that were outside the normal area of operations and had to do with participation in international fairs or exhibitions, or the creation of partnerships with other producer organisations. Also, in the region, there is a focus on the issue of cultural identity. A few years ago a proposal was made to the WFTO for a cultural identity standard and an international photography contest was held on the issue.

8. Internal issues

Many internal issues were mentioned by the respondents. Some examples are: plain survival after years of deficits, the construction of a new headquarters, the creation of a distribution centre in the United States and one organization wants to re-organize itself in a more economic way.

Figure 2.2 in section 2 depicts the percentage of responses for each area of trends and developments, to see their relative importance to each other.

2.2. NORTHERN COUNTRIES

Due to the limited number of responses, this section of our report on consuming countries is not subdivided per continent. This section comprises information on Europe, North-America and Oceania combined.

Next to awareness, (discussed in chapter 4.2), five areas of trends and developments were identified:

1. Macro-economic variables;
2. Internal issues;
3. Labelling;
4. External relations / value chain and
5. Other.

1. Macro-economic variables

Sales growth differs widely among the respondents. Where some consider it to be strong, and see an increase in their outlets, others feel the economic crisis has hurt their sales growth. The economic crisis, the high price of raw materials and increasing involvement of private firms in the market are considered to be posing a challenge to the profitability of Fair Trade shops.

2. Internal issues

The respondents indicate it is difficult to meet the wishes of a consumer. Their preferences are not always in line with what is produced and they demand low prices. One respondent indicated a decline in demand for handicrafts; another pointed to the need for more product design and development.

Additionally, Ten Thousand Villages indicated location to be a major opportunity.

3. Labelling

A large growth in FLO labelling is noted by the respondents. One respondent states that FLO labelling is a legacy of the colonial system and a major challenge is to replace it with something more equitable.

4. External relations / Value chain

A growth in the number of Fair Trade communities and the Fair Trade movement in general is noted by the respondents. A main challenge, however, is how to organize these organisations so that they work together efficiently. There is also said to be a high number of importers, which makes cooperation difficult. The number of outlets is growing, but the challenge is to get more products into the wholesale market. In the area of external relations, respondents indicated the need to get involved in international movements such as the global environmental education movement.

5. Other

One respondent indicated that FLO and WFTO should consider the possible implications of climate change on Fair Trade practices.

Figure 2.3 in section 2 depicts the percentage of responses for each area of trends and developments, to see their relative importance to each other.



2.3. STEADY GROWTH OF SALES

The Fair Trade movement began in a very fragmented way with small, unconnected activities taking place in a few communities around the world. Numbers for the year 2009/2010 reveal that the value of the total retail sales of Gifts & Living adds up to an impressive € 285.7 million. Although this is only a small part of worldwide conventional trade, it signifies the enormous growth that the movement has witnessed since its grassroots initiation.

In 1992, the type of products sold consisted of 80% handicraft and 20% agricultural produce. Ten years later, in 2002, this was reversed to a ratio of approximately 26% handicraft to 70% agricultural produce (Nicholls & Opal, 2004). By 2010, this ratio has most probably tilted even more in favor of agricultural products due to supermarkets and large companies switching to Fairtrade ingredients for their products. Yet, despite agriculture being the biggest driver of the movement, it is not the only driver. Great economic potential lies in the handicraft sector, or more broadly speaking the Gifts & Living sector. The Fairtrade version of coffee, bananas and sugar became more common when society became familiar with the Fairtrade label. Because the production process in non-agricultural sectors is more complicated, it is difficult to provide such products with a certified label. First, there is a need to develop a standard set of rules against which the products can be assessed. Further growth in the handicraft sector is expected when current efforts result in a label that consumers can easily recognise worldwide.

Prior to this report, data was gathered mostly from and about Northern organisations. Sales in Northern markets was used as the primary indicator of the progress of the Fair Trade movement. This report focuses on the producing side of the equation and is the first in the series to do so. Hence, our evaluation of the past will focus only on Northern organisations, as there is no previous data available for Southern organisations.

Fair Trade sales in Europe

Data from EFTA reveals that total sales of Fair Trade products has been increasing steadily every year. Total Fair Trade retail value of EFTA's members climbed from € 147,539,668 in 2001 to € 251,510,063 in the year 2007 and € 285.656.252 in 2009. This corresponds to an increase of 40% in Fair Trade sales in Europe over the 8 year period, or an average of 8,8% growth per year. Please refer to figure 2.4. and 2.5 for a visual depiction of the growth in sales between 2001 and 2008 of EFTA members.

Worldwide Fair Trade sales

Further data from FLO reveals that worldwide retail sales of Fairtrade products has reached a total of € 3.4 billion in 2009 (see figure 2.6). This figure is based on the sales recorded by FLO member organizations (known as national initiatives) in 25 countries. Throughout the years, the countries with the largest Fairtrade sales are the US and the UK. The two accounted for more than half of worldwide Fair Trade sales together. France, Germany, Canada and Switzerland are the second largest group, together responsible for an approximate third of worldwide Fair Trade sales. In order of the largest Fair Trade sales to the lowest, the countries rank as follows: United Kingdom (26%), United States (25%), France (8%), Germany (8%), Canada (6%), Switzerland (5%), Ireland (3%), Finland (3%), Netherlands (3%), Sweden (2%), Austria (2%), Belgium (2%), Denmark (2%), Italy (1%), Norway (1%), Australia / New Zealand (1%), Japan (1%), Spain (>1%), Luxembourg (>1%), Czech Republic (>1%), South Africa (>1%), Lithuania (>1%), Estonia (>1%) and Latvia (>1%). The full division is visually depicted with a pie chart in figure 2.7. A figure with sales figures per country between 2004 and 2009 can be seen in figure 2.8.

All longitudinal figures reveal a positive trend over the years, showing only variation in the steepness of the growth, and seldom any decline. Judging by the 13% positive growth that worldwide Fairtrade retail sales managed to achieve in 2009, the economic crisis has not had much negative impact on the sector.

*The value of Fairtrade
retail sales worldwide
reached a total of
€ 3.4 billion
in 2009*

Source: Annual Report FLO 2009/2010

CHAPTER 3: FAIR TRADE PLAYERS

This chapter describes the structure of the organisations that operate within Fair Trade and the progress that has been made in 2009/2010. The chapter is supported by several figures which can be found in Section 2 of the report. Lastly, examples of cooperation and joint initiatives in the Fair Trade movement will be highlighted.

Fair Trade players can be divided roughly into five types of organisation. These are producers, associations, (international) networks, importers and consumers, and lobbying organisations.

1. Producers

A producer is classified as any person or company supplying produce that adheres to the standards of Fair Trade. This includes both certified and uncertified producers. Producers range from individual artisans to factories with several dozen employees. Their differences and the consequences these have will be discussed in more detail in chapter 3.2.

2. Associations

Associations are often founded and funded by organisations within the Fair Trade movement. They are the connecting bridge between Fair Trade organizations that wish to cooperate or to be associated with each other. Their main goal is to promote Fair Trade and the each do this is their own way. Some advocate Fair Trade, some connect the retail outlets of Fair Trade, and others create standards. More details about associations and the largest Fair Trade associations can be found in chapter 3.3.

3. (International) networks

A network is a collection of Fair Trade organisations and represents the interests of its members. The networks provide support, opportunities, information, a common meeting ground and access to the market. Chapter 3.4 will further elaborate on networks.

4. Importers and consumers

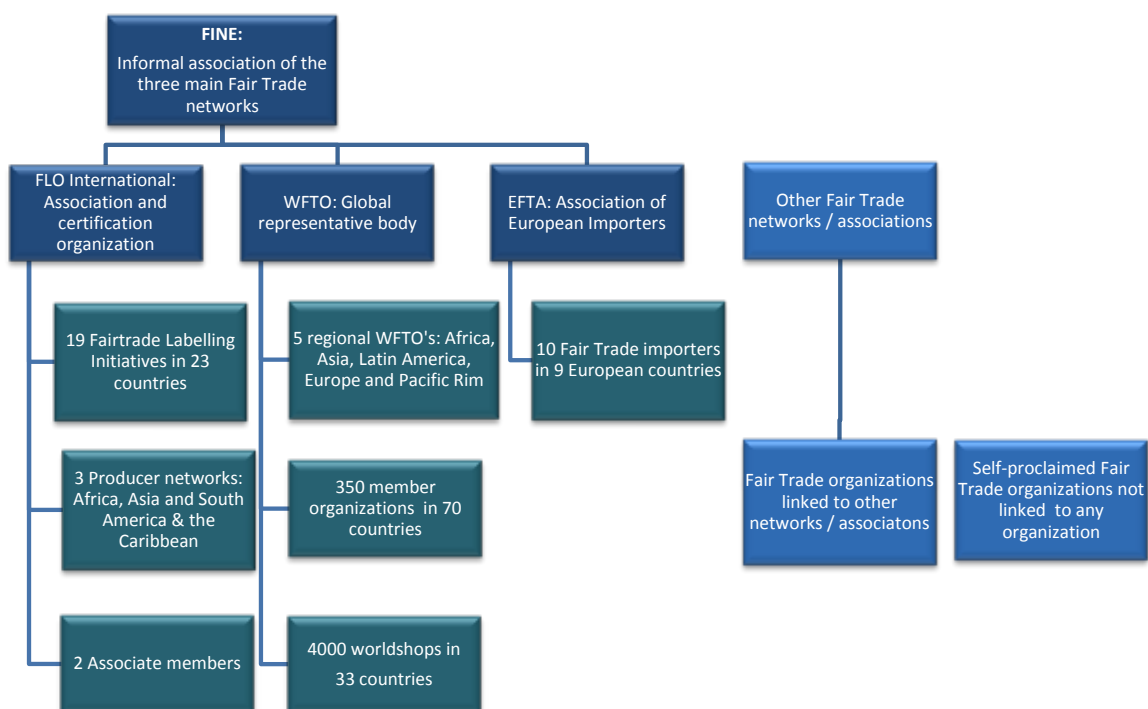
Details regarding the work, and figures to illustrate the progress, of importers will be provided in chapter 3.5. In the Fair Trade market, importers are also regarded as consumers. This report will use the two terms interchangeably, and will describe citizens buying products for their own use as “end-consumers”.

5. Lobbying organisations

Chapter 3.6 will be dedicated to lobbying organisations. They serve as advocates for everyone in the Fair Trade movement, helping the Fair Trade movement lobby and campaign nationally, regionally and internationally .

All types of organisation share the common goal of promoting and furthering the Fair Trade movement, though in slightly different ways. Before continuing with the discussion of each type of organisation, figure 3.1 provides an overview of the biggest players in the Fair Trade movement and their relationships.

Figure 3.1: Schematic overview of the biggest organisations in the Fair Trade movement



3.1. PRODUCERS

There is a wide range of producers supplying Fair Trade products, ranging from the (part-time) artisan to organisations with factories that employ several hundred people. The total number of Fair Trade producers continues to increase year on year. Some make an active switch to Fair Trade standards, while others always adhered to those standards. However, not all producers acting according to Fair Trade principles have the capital or the opportunity to obtain Fair Trade certification.

Most Fair Trade activity in Africa takes place in the informal economy. The informal sector comprises an approximate 48 - 72% of Gross National Income (GNI) in Sub-Saharan Africa. This is higher in struggling countries such as Zimbabwe (72%) and lower in stronger economies such as South-Africa (48%). There is little support from governments for the informal sector. Yet it is often the most marginalized people who generate their income in that sector, falling back on the production of handicrafts when they are unable to generate enough income from other sources or to find a job. These people often live in slums, lack skills and education or are infected with HIV AIDS. (See chapter 4 for a further elaboration on the social impact of Fair Trade).

Due to these differences, it is a real challenge accurately to map the current situation and progress of the producers. A lot of Fair Trade economic activity is never recorded by any institution or by the producers themselves, especially in the informal sector. In this chapter, the results of research done by DAWS will provide the measurement baseline for producing organisations in the South.

Use and sources of external funding

There are 5 out of 7 producers that indicate they make use of external funding (71%), while the remaining 2 out of 7 (29%) indicate they do not use external funding. This is displayed in figure 3.20. The organisations that make use of external funding were asked to report from which sources they obtained their funding. There were six options, which were churches, community funding projects, international donor societies, banks, customers and a residual category 'other'. The sources of funding that was used most often by Fair Trade producers in South America are churches and banks, with each 71% of all. For each of the three regions - Africa, Asia and South America - this chapter will discuss the following attributes, insofar as data was available:

1. Types of producer organisation and products
2. Sales and sales distribution over a number of categories
3. Main customers and/or trading partners of the producers
4. Use and sources of external funding

Figure 3.2 in Section 2 shows a list of all countries where certified Fairtrade producers are located.

Africa

Types of producer organisation and products

There are three types of organisation according to which African producers were asked to classify themselves: primary organisation, secondary organisation and support organisation. A primary organisation produces tangible products, while a secondary organisation provides services. A support organisation will not supply anything which is visible to the consumer, but provides products that are necessary for the effective management of a company.

The latter type of organisation is most commonly found in Africa, with 93 out of 111 producers indicating they engage in support activities. A close second is the secondary organisation, in which 83 out of 111 producers declare themselves active. Last and least represented is the primary organisation. Only 23 out of 111 producers state that they produce tangible products. The details can be found in figure 3.3 and figure 3.4.

The division is more evenly balanced when it comes to the type of product that is being produced. There is a more or less equal share of production in footwear, furniture, garments, gifts, home textiles, household utensils, jewelry, leather goods, sports and camping goods and lastly, stationery, office and school supplies. This can be seen in figure 3.5 and figure 3.6.

Sales and sales distribution per category

This section discusses total sales, the countries to which the producers sold and the division between local sales and export sales. The full list of sales destinations and their respective relative share of sales is given in figure 3.7 and figure 3.8. Total sales by the 111 African producers sums up to an approximate

Total sales in
Africa reached
€ 20.2 million
(US\$27.8 million)
in 2010

Source: DAWS

€ 20.2 million (US\$27.8 million). Please note that these respondents are all members of COFTA and therefore mostly active in the non-food or Gifts & Living sector. Nonetheless, it is interesting to note that most of the goods and services are sold in the local market. This is contrary to wide-spread assumptions. This means there still is much potential for Fair Trade sales from Africa to continue growing by expanding to markets abroad. Sales in own country represent 51% of reported sales, followed by sales in Europe (23%) and sales in North-America (18%). Sales to East-Africa and other African countries represent 5% of sales. These figures are based on respondents' estimates in percentages about the destination of their sales.

When asked to provide percentage figures for local and export sales, the producers indicated that they had sold € 4.295.359 (US\$5.916.000) on the local market (44%) and € 5.416.030 (US\$7.459.500) in exports (56%). Figure 3.11 and figure 3.13 in Section 2 give the details. Africa has a much higher percentage of local sales than Asia (28%) and South America (17%).

Main customers and trading partners of the producers

This report looks at the division of sales between three types of customers: wholesalers, retailers and consumers. Both for local sales as well as for export, the largest customer for the African producer is the wholesaler with 65% of total (local and export) sales. The second largest is in both cases the retailer (total of 29%) and the third and smallest part of sales goes to consumers (6%). Figure 3.16 provides an overview of the exact percentages. Figure 3.18 consequently displays the division per customer for both local sales and export.

Trading partners for Fair Trade producers can be either partners from the Fair Trade movement or from 'conventional' trade. As can be seen in figure 3.19, the majority of trading partners for African producers are conventional traders (67%).

Use and sources of external funding

There is almost an equal division of producers who use external funding (60 out of 111 which is 54%) and those who don't (51 out of 111 which is 46%).

The organisations that make use of external funding were asked to report from which sources they obtained it. All six options were reported to have been used approximately equally often. They were: churches, community funding projects, international donor societies, banks, customers and a residual category 'other'. The exact numbers for each source can be seen in figure 3.22. Please note that an organisation could indicate the use of more than one source for their funding.

Asia

Type of producer organisations and products

Unfortunately this data is not available for Asia.

Sales and sales distribution per category

This section discusses total sales, the countries to which the producers sold and the division between local sales and export sales. Total sales in Asia by the 51 producers that responded amounts to € 8.777.678 (US\$ 12.089.500). Although this figure is less than the total sales figure for Africa, bear in mind that there were more than twice as many respondents among the African producers. Based on this figure, it can be estimated that the entire member base represented a total sales figure of € 19.448.581 (US\$ 26.787.000).

The largest portion of Asian Fair Trade produce is sold to Europe (48%), as can be seen in figure 3.7. The second largest share represents 27% and is sold to the local market, or in their own country. North-America absorbs 15% of Asian Fair Trade products, while the rest of Asia accounts for 6% of the remaining sales. The complete division can be seen in figure 3.9. Comparing the proportion of local sales to the proportion of export sales, there is a considerably larger percentage of Fair Trade sales exported. Asian producers reported a total of € 5.768.894 (US\$ 7.945.500) in exports (72%) versus € 2.246.423 (US\$ 3.094.000) in local sales. These figures are displayed in figure 3.11 and figure 3.15.

Main customers and trading partners of the producers

Unfortunately this data is not available for Asia.

Use and sources of external funding

There are 26 out of 51 producers in Asia that make use of external funding, while 25 out of 51 do not use external funding (see figure 3.20). The relative division is therefore close to an exact fifty-fifty, with 51% against 49% respectively (see figure 3.20).

Total sales in Asia
is estimated at
€ 19.4 million
(US\$ 26.8 million)
in 2010

Source: DAWS

Those organisations that make use of external funding were asked to report from which sources they obtained their funding. These could be churches, community funding projects, international donor societies, banks, customers or 'other'. The figures in figure 3.23 reveal that churches are the most frequent contributors at 21%, although some respondents noted that these were often small donations. Banks are a close second as most frequently used source of funding for Asian Fair Trade producers (20%), while community funding projects frequently provide funding as well (18%). International donor societies are used by 15% of the producers, while customers are a source of funding for 10%. The remaining 16% forms a residual category of 'other sources'. Please note that each organisation could indicate more than one source. An overview of the division can be found in figure 3.22 and figure 3.23.

South America

Type of producer organisations and products

Unfortunately this data is not available for South America.

This section discusses total sales, the countries to which the producers sold and the division between local sales and export sales. Total sales in South America by the 7 producers that responded equals an approximate € 593.552 (US\$ 817.500). As the South American chapter of WFTO has a total of 50 members in 2009, this figure allows an estimation of total sales of € 4.239.657 (US\$ 5.839.286). Due to the low number of responses, please take into account that this is a rather rough estimate.

The majority of sales by South American Fair Trade producers were destined for Europe (49%), while approximately one third was sold in their own country (36%). North America took up 13% of sales, leaving the small residue to the rest of the regions as presented in figure 3.7 and figure 3.10. The division

between local sales and export sales is strongly in favor of export (83%), while 17% of sales is generated through local sales. Full details are provided in figure 3.11 and figure 3.15.

Main customers and trading partners of the producers

Unfortunately this data is not available for South America.

Use and sources of external funding

There are 5 out of 7 producers that indicate they make use of external funding (71%), while the remaining 2 out of 7 (29%) indicate they do not use external funding. This is displayed in figure 3.20.

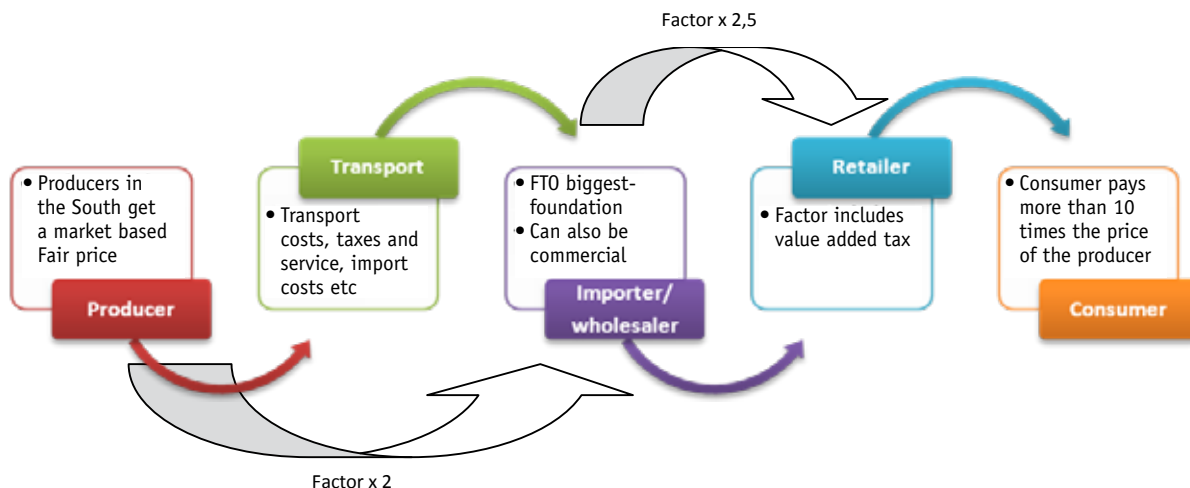
The organisations that make use of external funding were asked to report from which sources they obtained their funding. There were six options, which were churches, community funding projects, international donor societies, banks, customers and a residual category 'other'. The sources of funding most often used by Fair Trade producers in South America are churches and banks, with each used by 71% of all producers. The second are community funding projects and international donor societies (each 57%) and third comes the category 'other' with 43%. Please note that each organisation could indicate more than one source. An overview of the division can be found in figure 3.20 and figure 3.21.

The diagram on the next page shows the Gifts and Living products supply chain of from South to the North. People sometimes wonder why the price they pay for Fair Trade products is higher than the price that the producer receives. From this diagram, it becomes clear that whatever price is paid to the producer, the consumer will always have to pay a higher price. The difference in Fair Trade is that the producer or artisan receives a price that is higher than (s)he would normally receive.

The total sales of the producers adds up to € 45.4 million, of which € 26.7 million was sold outside of the local market (see figure 3.7 and figure 3.8). Based on the estimated multiplication factor of 10 as depicted in the supply chain, the products that the producers have sold for € 26.7 million represent a sales value of € 267 million when they are sold to the consumer in the North. Including local sales, worldwide sales therefore come to a stunning total of € 285.7 million.

Total sales in South America is estimated at
€ 4.2 million
(US\$ 5.8 million)
in 2010

Source: DAWS



3.2. ASSOCIATIONS

As mentioned in the introduction, associations are organisations founded and funded by other organisations within the Fair Trade movement. The main goal of associations is to advocate and promote the Fair Trade movement. They each do so in different ways, for example by fostering and promoting the concept and, or through the creation of standards.

The largest Fair Trade associations are the Fairtrade Labelling Organisation (FLO, recently also known under the abbreviated name Fairtrade International), the European Fair Trade Association (EFTA) and the collective of national associations of Worldshops in Europe. This chapter briefly discusses the largest Fair Trade associations FLO and EFTA, as well as the figures for several national Worldshop associations.

The Fairtrade Labelling Organisation



The Fairtrade Labelling Organisation (FLO) is an association of 24 organisations that have joined forces to secure the development of Fairtrade. FLO describes its main responsibilities as setting international Fairtrade standards, organizing support for producers around the world, developing a global Fair Trade strategy and promoting trade justice internationally (Fairtrade Labelling Organization official website). Their members consist of 19 Labelling Initiatives, three Producer Networks and two Associate Members. The Fairtrade Labelling Organisation is recognised worldwide as one of the leaders in the Fair Trade movement.

FLO-CERT GmbH is an independent International Certification company offering Fairtrade Certification services to clients in more than 70 countries. The organisation assists in the

socio-economic development of producers in the Global South and help to foster long-term relationships and good practice with traders of Certified Fairtrade products. Their Certification provides a guarantee to consumers of Certified Fairtrade products that they are contributing to the Social-Economic Development of people through their purchases” (FLO-CERT Official website). For more information about certification and use of logos and labels, please refer to chapter 1.4. For more information on sales figures by FLO members, please refer to chapter 2.3 as well as figure 2.6, figure 2.7 and figure 2.8.

The European Fair Trade Association

The European Fair Trade Association was established in 1987 by a few of the oldest and largest Fair Trade importers and obtained formal status in 1990. It is an association of 11 Fair Trade importers in 9 European countries. Its members are located in Austria, Belgium, France, Germany, Italy, The Netherlands, Spain, Switzerland and the United Kingdom. A list of the EFTA members is displayed in Box 1. The association’s aim is to support its member organisations in their operations and to encourage cooperation and joint coordination between them. EFTA serves as a platform for information sharing, networking and facilitation of opportunities.

An overview of total Fair Trade retail value by EFTA members can be seen in figure 2.4. While the sum of retail sales of all 9 members was € 147,539,668 in 2001, the figures in 2009 revealed a total Fair Trade retail value of € 285.656.252 (EFTA, 2009). Full details of sales development over the years can be found in figure 2.5 in section 2.

BOX 1: EFTA MEMBERS

claro (Switzerland)	
CTM altromercato (Italy)	
EZA Fairer Handel GmbH (Austria)	
Fair Trade Original (The Netherlands)	
GEPA (Germany)	
Intermon Oxfam (Spain)	
Oxfam-Magasins du monde (Belgium)	
Oxfam-Wereldwinkels (Belgium)	
Solidar'Monde (France)	
Traidcraft Plc (United Kingdom)	

Source: EFTA website

National associations of Worldshops

Worldshops are an initiative that came into being to respond to the need for countries from the South to gain easier access to the North. They can be described as specialized retail outlets that sell a large variety of Fair Trade products from developing countries under fair trade conditions for the producers. Worldshops combine commercial interests with an idealistic attitude. They form the interface between end-consumers and the Fair Trade products. Because the first Worldshop was opened in Europe, most Worldshops today are still based in that region. However, the movement is spreading across the globe and has seen new Worldshops open their doors in North America, Australia and New Zealand as well. The individual Worldshops are usually united under the umbrella of a national association of Worldshops. These associations do not only support their members, but also actively campaign, educate and lobby at the (inter)national level to promote trade being conducted in a Fair manner.

Six associations of Worldshops replied to the questionnaire. They were Denmark, the United Kingdom, Sweden, The Netherlands and France. This section will discuss the number of Worldshops per association, the net retail value of sales per association and the type of products that were sold.

Number of Worldshops per association

Figure 3.24 shows the number of Worldshops in their respective countries, both the shops that are run by members and those run by non-members. France has the highest number of Worldshops, with a combined total for two associations of 635 shops (345 for PFCE and 290 under FADM), followed by the Netherlands with 414 shops. The association of Worldshops from the United Kingdom has 115 shops, Sweden 41 and Denmark 17.

Net retail value of sales

Together these associations account for a net retail value of approximately € 63.156.278 after adjusting local sales to the euro currency. The largest contributor is the Netherlands, with total sales representing € 31.000.000. The Worldshops in France and the association in the United Kingdom each indicate sales of approximately € 10.000.000 per country. Full disclosure of sales figures per country is given in figure 3.25 and visually depicted in figure 3.26.

Types of product sold

Sales represent both food and non-food products. As figure 3.27 shows, the majority of Worldshop sales is in non-food products (78%) rather than in food products (22%). Of the sales of food products, the majority of the products was FLO certified (18%) while a small percentage did not carry the FLO label (4%).

Product types are divided into 5 categories and one residual category, as is shown in figure 3.28. These categories are coffee, tea, chocolate, handicrafts, literature and 'other'. It is interesting to note that coffee, tea and chocolate, the most well-known Fair Trade products among end-consumers, collectively stand for 6% of sales only. By far the largest share of sales is made up of handicrafts (57%), while a little more than one third of sales comprises the residual category. This is positive news, since handicrafts is exactly the type of product that benefits the most marginalized producers best. (See chapter 3.2 and chapter 4 for more information how non-food products benefit Southern producers.)



3.3. (INTERNATIONAL) NETWORKS

As mentioned in the introduction, a network is a collection of Fair Trade organisations that is strongly interconnected or interlinked. A network represents the interests of its members. The networks provide support, opportunities, information, a common meeting ground and access to the market. The largest Fair Trade network is the World Fair Trade Organisation (WFTO).

The WFTO is a global network of Fair Trade organisations spread over more than 70 countries. The common goal is to enable producers to improve their livelihoods as well as their communities by means of Fair Trade. WFTO carries out this mission by facilitating market access for its member base through policy, advocacy, campaigning, marketing and monitoring. The members of this global network represent every step in the value chain, from production to sale. The WFTO represents Fair Trade organisations that range from grassroots organisations to Fair Trade organisations that operate on an international level. They provide the Fair Trade movement with a voice that has been heard for more than 20 years (WFTO official website).

There are more than 400 Fair Trade organisations in membership of the WFTO. A closer look at the number of members shows that there were 325 WFTO members in 2007, 415 members in 2008 and 441 in 2008. This is also listed in figure 3.29. Most of the members are based in the Southern regions. The network is split into five regional networks: COFTA in Africa, WFTO-Asia, WFTO Latin America, WFTO-Europe and WFTO-Pacific. The latter is an informally organized region comprising North America and the Pacific Rim. It is possible for an organisation to become a member of the global WFTO, the regional WFTO or of both. COFTA, for example, has members that are not members of the WFTO. This has to do with the fact that the WFTO charges a membership fee, whereas COFTA deliberately chose not to do so in order to enable even the smallest producer to become a member.

3.4. CONSUMERS AND IMPORTERS

This chapter describes several aspects of the origin of income, sales figures, channel and outlet data, product information and sourcing for importers. The terms consumers and importers are used interchangeably. To indicate individual persons buying and using Fair Trade products, the term 'end-consumers' is used.

Consumers and Importers - Income data

Importers were asked to indicate from which sources their

income is generated. Overall, the majority of income is clearly generated through Fair Trade sales (85%), with another portion coming from other sources than the choices provided (13%) and a very small part from government grants (2%). The rest of the sources, which were license fees, membership fees and membership grants, had a negligible contribution to the income of the importers. Figure 3.30 shows a clear overview of the distribution of income generation between the different sources.

Consumers and Importers - Sales data

Total net turnover for the 6 importers amounted to € 698.400 (US\$ 961.906), while total retail value was slightly higher at € 735.932 (US\$ 1.013.600) (see figure 3.31 for a break-down per country). The highest turnover was obtained by the importer in the United States, with € 16.994.113 (US\$23.406.000), while the lowest turnover was obtained by the importer in Sweden at € 114.707 (US\$ 157.986). It is important to bear in mind that the figures in figure 3.31 only provide an indication of sales, because not all importers provided the researchers with their sales data. The total retail sales of these 6 importers added up to € 52.642.917 (US\$ 72.505.112).

Consumers and Importers - Sales channel and outlet data

The outlet data provides insights into the division among types of shops (figure 3.32) and the relative share in turnover per type of shop (figure 3.33). There are 11 types of sales outlets which importers could indicate that they used: own shops, franchise shops, Worldshops or other Fair Trade shops, other groups, voluntary representatives, institutional markets, business to business, individual commercial stores, chains of commercial stores (e.g. supermarkets), mail order catalogues and online shops / e-commerce. Figure 3.32 shows that the type of retail outlets used most regularly by importers are individual commercial stores (33%), business to business (21%), other groups (e.g. church groups)(20%) and Worldshops or other Fair Trade shops (12%). A small group of own shops is also used (5%), along with franchise shops (4%) and institutional markets (4%). The rest of the types of retail outlets' contribution is negligible.

The outlet data further reveals that the relative share in net turnover per type of shop is rather different than the above description. The largest contribution to net turnover are in fact their own shops (31%), followed by the individual commercial stores (19%), the franchise shops (13%) and the online shops / e-commerce (13%). The latter is of course a retail outlet type that is increasingly often being used in conventional trade as well, and is bound to increase further in the future.

Consumers and Importers - Product data

The product data discloses the percentage of food versus non-food products sold, and the type of products. Similar to the division seen at associations, non-food represents the majority of products sold (76%), and food is responsible for the remainder. Food with FLO certification corresponds to 15% of the total, while food without FLO certification corresponds to 10%. For a visual depiction of these numbers, please refer to figure 3.34.

Between the 6 types of products sold most - coffee, tea, chocolate, handicrafts, literature and other - the greater part consists of handicrafts. This is of course in line with the previous finding that non-food has the largest share in sold products. The second largest product category is coffee at 15%. The percentages of the other categories range around 5% and a total overview can be seen in figure 3.35.

Consumers and Importers - Sourcing data

The importers were asked to indicate where the products they sold came from. This could be producer groups in either Africa, Asia, South America or Europe. Figure 3.36 gives an overview of the producer groups that the importing countries work with most. It is interesting to note for example, that Sweden deals exclusively with producer groups in Africa. Among the other countries, producer groups from Asia appear to provide most of the products they sell, with the exception of Spain, which sources most of its products in South America. Spain's exception probably has to do with the ease of doing business as a result of the shared language.

Figure 3.37 shows the relative share of net turnover sorted per region of origin. This is based on the total turnover of all importers. It illustrates that Asia is responsible for the majority of products that created turnover (42%), Africa is the second largest contributor (30%), South America is the third largest contributor (19%) and Europe (+USA) is the smallest contributor of products that create turnover.

3.5. LOBBYING ORGANISATIONS

Lobbying organisations attempt to persuade the state to change their point of view in favor of a certain cause. In principle, all Fair Trade organisations have something of a role in lobbying, either through traditional lobbying activities or by showcasing success stories of positive impact.

Lobbying organisations, representing civil society, are trying to persuade the state to deregulate the market. As such, lobbying organisations are the engine that drive development on the issue of Fair Trade. This is also illustrated in figure 3 below.

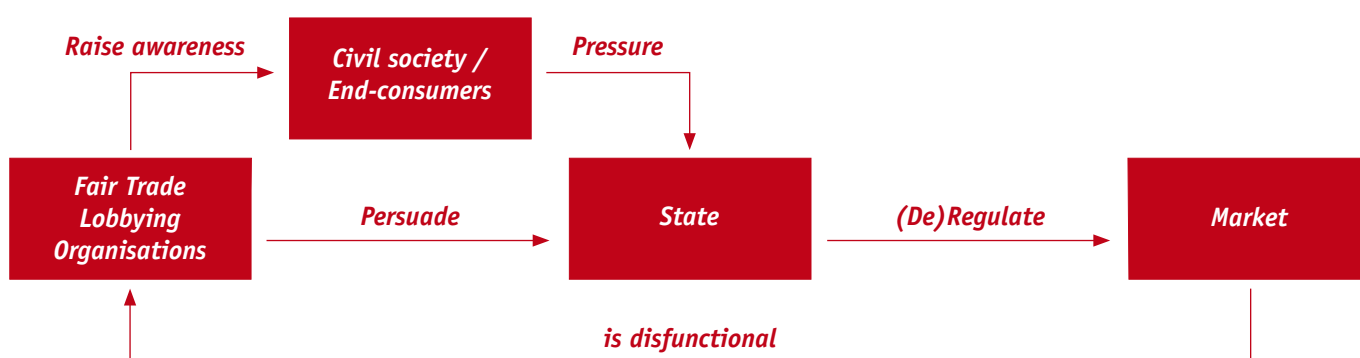
An example of a lobbying organisation within the Fair Trade movement is the Fair Trade Advocacy Office (FTAO). The FTAO in Brussels (representing FLO, WFTO and EFTA) continues to lobby successfully for a comprehensive European Commission policy that supports Fair Trade.

The FTAO supports Fair Trade and trade justice with the aim to improve trading conditions for the benefit of small and marginalized producers and poor workers in developing countries. The office:

- coordinates the advocacy activities of FLO, WFTO and EFTA;
- monitors European and international trade and development policies;
- ensures a constant dialogue between the Fair Trade movement and political decision makers;
- develops political positions in the area of Fair Trade and trade justice and
- publishes information materials such as newsletters and brochures.

The office was a joint initiative of the four Fair Trade networks: FLO, WFTO (formerly known as IFAT), NEWS! and EFTA. NEWS! has ceased to exist in its original form and is now part of WFTO Europe.

Figure: Fair Trade Lobbying Organisations as an Engine



3.6. COOPERATION BETWEEN FAIR TRADE ORGANISATIONS

Mapping out the cooperation that takes place between Fair Trade organisations is not an easy feat. Most cooperation is informal, which means the organisations involved do not publicize their cooperation. However, this does not mean that cooperation does not take place. This chapter briefly describes several examples of cooperation between Fair Trade organisations, namely FINE, Fair Procura, awareness raising campaigns and activities organized by associations and networks.

FINE

In first place should be the informal cooperation between the largest Fair Trade organisations, FINE. The name stands for the acronym of the four founding organisations: FLO, IFAT (now known as WFTO), NEWS! (Network of European Worldshops, now part of WFTO Europe) and EFTA. The four organisations started to meet regularly in 1998 and have since become one of the authorities within the Fair Trade movement. FINE has set itself the goal of enabling its member networks as well as the networks' own members to collaborate on important areas of work, such as advocacy and campaigning, setting standards and monitoring the progress of Fair Trade.

Fair Procura

Fair Procura was a 3-year project, co-financed by the EC (EuropeAid). The main objective of the project was to raise Public Authorities' awareness of the role they can play in contributing to sustainable development through "Fair public procurement". EFTA was the lead partner and implemented the project mainly through the EFTA Fair Procura Office in Brussels. Four other partners were involved: Fair Trade Original in The Netherlands, CTM Altromercato in Italy, Oxfam Worldshops in Belgium and IDEAS in Spain.

The project was concluded at the end of December 2007. Its key successes were the opportunities offered to partners to give a boost to European and national activities regarding Fair Trade procurement. Public authorities' awareness of Fair Trade issues in procurement policies and practices were considerably increased. The cooperation produced several high quality publications on Fair Trade public procurement and helped solidify networking and lobbying activities, exchange of knowledge and best practices.

Awareness Raising Campaigns

There are multiple awareness raising campaigns organized in every country throughout the year. For more details about some campaigns, please refer to chapter 4.2. One particular

example worth highlighting in this chapter is that of the Fair Trade week 2010. The Fair Trade week was initiated by the Max Havelaar foundation in 2007. By 2010, the fourth year of the week was the first time ever in which the Fair Trade week was jointly organized as a promotional platform by three organisations: Fair Trade Original, DAWS and the Max Havelaar foundation. This cooperation enabled the organisations involved to make the Fair Trade week bigger than it ever was before.

Association and network activities

The associations and networks regularly organize meetings in one form or another to enable knowledge sharing and experience exchange between members. An example are the Managers' Meetings that are organized by EFTA, where EFTA members meet to exchange information about developments in the markets and in their own organisations. At times, guest speakers are invited from other Fair Trade institutions to share their knowledge, and discussions are held on various topics, ranging from technical product processes to successful products, to experiences with suppliers and policy issues.



4.1. IMPACT IN PRODUCING COUNTRIES

Often Fair Trade impact is seen as the producers receiving a higher price for their products for which consumers pay a higher price than they might otherwise do. This monetary support helps the producers to reduce poverty and to increase their well-being. Fair Trade aspires to reduce trading inequality, to help farmers, artisans and companies with a proper social policy to access the (export) market with their products. This creates jobs which increase the prosperity of the people, their village and sometimes even their entire region, thus enhancing the quality of life. Nonetheless, quality of life entails more. An overview will be given per continent.

Definition

In this report several elements from the questionnaire will be assessed, namely:

1. total number of people that are employed;
2. participation of women in the workforce;
3. number of women in management positions;
4. whether the producer specifically targets particular groups;
5. whether men and women are equally paid;
6. how employees get paid (salary, daily wage, piece);
7. what the producers consider to be the biggest social and health issues and
8. whether employees receive additional benefits to deal with these issues.

Africa

Cooperation for Fair Trade in Africa (COFTA) is the network responsible for Fair Trade in Gifts and Living in the whole of Africa, although only five people work at the main office. It is led by director Joan Karanja, who started six years ago at a desk with a laptop in a container. COFTA is part of WFTO with linked, country-level networks in Kenya, Tanzania, South-Africa, Uganda, Rwanda and Senegal. There are more than 170 producer groups of one kind or another in circa 24 countries that are members of COFTA, delivering economic and social benefits to more than 303,000 producers and their families. 111 producer organizations from the African Continent responded to the request to fill in the questionnaire.

Based on the answers provided by these producers, it is estimated that in total Fair Trade provides jobs to more than 37,500 people in Africa. Assuming that each African family has 6 children on average, the provision of work and income impacts a total of 303,000 people. The producers that answered the survey collectively provide jobs for 19,292 people, of whom 858 are part of the management team. Of the total of these jobs 13,292 are provided to women, which is 69% of

the total number of jobs, including the women in the management teams (see figure 4.1). If the women in the management team are excluded, 69% of the employees are still female (see figure 4.2). These numbers are slightly below the average for participation of women in employment in Africa, but with the main difference that all these women are paid for their work. This is often not the case in Africa, where 80% of the women do agricultural work. An Ethiopian woman mentioned: “No [East African] woman is unemployed. Only a few are paid.”

Most producers employ between 0 and 10 people, although companies with 26 to 50 employees are also represented well (see Figure 4.3). There are 32 companies that employ a higher percentage of women compared to the average, so above 69% (see Figure 4.4). Interestingly enough, this is a lower number than the 41 companies that have an above average percentage of women represented in the management team. There are 41 companies that employ a higher average percentage of women in their management team, so above 66% (see Figure 4.5). It is remarkable to note, that of all producers in Africa, 61% decided to specifically target particular groups in order to help minorities. This might be the cause for the high participation of women. The rest of the producers did not target groups specifically or decided not to answer (see Figure 4.6).

Of all the producers who responded, only four mentioned that men and women do not get equal pay. Nineteen of them decided not to answer this question (see Figure 4.7). Unfortunately almost 50% of the producers did not fill in their method of pay correctly. First of all, 28% chose not to indicate how they paid their employees and on top of that, 22% filled in numbers that did not add up to their total number of employees they had given before that (see Figure 4.8). There were three companies that had a difference of more than 1,000 people between “total number of employees” and “total number of employees, divided by their payment method”. Those companies have therefore been excluded, since the given numbers did not seem to represent reality. From the remaining companies, it is interesting to see that 62% of their employees receive a salary (see Figure 4.9).

When asked to rate the importance of social and health issues, 37 producers indicated that employment is the biggest problem (see Figure 4.10). There were 31 companies that indicated that HIV AIDS is the most significant problem and the third most important issue is housing with a score of 23, closely followed by education and proper access to appropriate healthcare, which both scored 22 (see Figure 4.11). Unfortunately all issues given as an option, have been indicated by at least 5 producers as the most important issue. This

shows that there are still many problems in Africa, although life expectancy and child mortality (under 5 years) seems to have improved over the years. The second most important issues are education with a score of 27 and housing with a score of 23 (see Figure 4.12). The third most important issues are employment with a score of 19, education and access to appropriate healthcare both score 18. The significance of the importance of the issue, i.e. the slices of the pie, seem to become more equal when the severity of the issue becomes less (see Figure 4.13). If you look at the issues that have been mentioned most often (see Figure 4.14), irrespective of their importance, employment scores the highest with 72 organisations indicating it as important. This is consistent with the most important issues where it also scores highest. Second is education, which has been mentioned 67 times, an issue that has been mentioned frequently in all three categories of importance. Third in the list is housing which has been mentioned 61 times in total, while HIV/AIDS has been mentioned 57 times. These overall scores are quite consistent in comparison to the most important issues, with the exception of HIV/AIDS. The latter has been mentioned as the second most important issue, while it is ranked fourth on the overall list. In order to deal with these issues, 72% of the producers offer benefits to their employees in order to be able to better cope (see Figure 4.15).

Asia

As the regional chapter of World Fair Trade Organisation Asia(WFTO) - the former International Fair Trade Association (IFAT) - WFTO Asia provides impoverished food and crafts producers from all over Asia greater access to regional and inter-regional export markets in order to sell their Gifts and Living products. WFTO Asia comprises more than 130 Fair Trade Organisations, both involved in development and business, mostly from the poorest part of the continent—South and Southeast Asia across 16 developing countries: Bangladesh, China, Cambodia, India, Indonesia, Japan, Korea, Laos, Nepal, Pakistan, Palestinian Authority, Philippines, Sri Lanka, Thailand, Timor Leste and Vietnam. Members now include producers and producer organisations, cooperatives, intermediary marketing organisations, retailers, business development service providers, advocacy groups, NGOs, faith-based organisations and Fair Trade country-networks. The majority of WFTO Asia members are engaged in the production, marketing and trading of food and crafts products made by marginalized sectors, particularly women and cultural minorities. From Asia, 51 producing organisations responded to the request to fill in the questionnaire. In total the producers provide jobs for more than 215.000 people (estimate). Assuming that an Asian family has 3 children on average, this means that the lives of more than

1,000,000 people are changed for the better by Fair Trade. Based on the returned surveys, 97,158 jobs were provided, of which 724 job holders are part of the management team. Of the total of these jobs 39,470 are provided to women, which is 40%, including the women in management teams (see Figure 4.16). If the women in the management team are excluded, 41% of the employees is female. It is interesting to note that the percentage of women that are represented in the management team is substantially higher, with a total of 59% (see Figure 4.17).

Most producers employ more than 1,000 people, although companies with 11 to 25 employees are also represented well (see Figure 4.18). There are 40 companies that employ a higher percentage of women compared to the average, so above 40% (see Figure 4.19). This is a higher number than the 19 companies that have an above average percentage of women represented in the management team. i.e. above 59% (see Figure 4.20). Whether specific target groups have been selected for employment cannot be said. The Asian respondents did not have this question in their survey.

Of all the responding producers, only two mentioned that men and women do not get equal pay. One of them decided not to answer this question (see Figure 4.21). Unfortunately almost 50% of the producers did not fill in their method of pay correctly. First of all, 41% filled in numbers that did not add up to the total number of employees they had given earlier in the survey (see Figure 4.22) and on top of that 8% chose not to indicate how they paid their employees. Therefore those companies have been excluded since the given numbers did not seem to represent the reality. From the remaining companies it is interesting to see that 89% of the people get paid per piece, while not even 10% gets a salary (see Figure 4.23). In the questionnaire that was sent out to Asia, social and health issues were not discussed. Instead they have been asked about the challenges and opportunities and trends & developments. These are discussed in chapter 2.1.

South America

In South America the WFTO is represented by WFTO-Latin America (WFTO-LA). Currently there are more than 60 members in 13 countries involved in Gifts and Living. Their mission is "To strengthen advocacy skills, marketing and monitoring of WFTO-LA members and promote cooperative relationships among themselves and with other stakeholders, in order to help improve the living conditions of small producers in Latin America, according to the principles of Fair Trade." We received 7 responses from South American producers.

In total these producers provide jobs for more than 2,100 people (estimate). Assuming that an average South American family consists of 4 children and 2 parents, the provision of jobs has a positive impact on more than 13,000 people of whom 47 are members of their management teams. We estimate from this that the 60 producers in membership of WFTO-Latin America have created more than 2,100 jobs between them. Of the 304 jobs, 251 are provided to women. This is 83% of the total, including the women in the management teams (see Figure 4.24). If the women in the management team are excluded, 85% of the employees are female, while women make up 68% of management teams. (see Figure 4.25). It should be noted that due to the small number of respondents, these numbers are distorted, since one of the respondents employs 180 female artisans. E.g., if they are omitted, the average female participation percentage drops to 15%.

Most producers employ 0 to 10 people (see Figure 4.26). There is one company that employs a higher percentage of women compared to the average, so above 85% (see Figure 4.27). This is a lower number than the 3 companies that have an above average percentage of women represented in the management team. There are 3 companies that employ a higher average percentage of women in their management team, so above 68% (see Figure 4.28). Whether specific target groups have been selected for employment cannot be said. The South American respondents did not have this question in their survey.

None of the producers who responded mentioned that men and women do not get equal pay. All of the respondents answered this question (see Figure 4.29). Fortunately all of the producers filled in their method of pay correctly, i.e. the number of employees that were filled in per method of pay, added up to the total employees that the producer had given before. Once again the numbers are distorted due to the small sample size, but it is interesting to see that 72% receive their payment per piece (see Figure 4.30). The reason we mention that the results are distorted is because the people that get paid per piece are all paid by one company, the other companies pay their people through a daily wage or salary. The same goes for the number of employees paid a daily wage, they are all in service at two (other) companies. All companies employ people to whom they pay a salary (see Figure 4.31).

In the questionnaire sent to South America, social and health issues were not discussed. Instead they have been asked about challenges and opportunities and trends & developments. This was discussed in chapter 2.1.

4.2. AWARENESS RAISING

Activities in the North

Responses to the questionnaire reveal that the responding importers are aware of a growing interest in Fair Trade, although they acknowledge that it needs to improve further. They have the idea that the general public knows, or at least has an idea about Fair Trade. The growing interest is noticed especially among students, which is seen as a possible opportunity.

In the UK in February 2011 the Fairtrade Foundation (the FLO National Initiative and member) estimated that 74% of the general public were aware of the Fairtrade Label. This has translated into sales. In the UK the total value of Fairtrade (certified) products sold in 2010 soared to over £1 billion. Worldwide, the various labelling organisations estimate that the amount of Fairtrade products sold increases by 30-40% every year.

Pioneers of the Fair Trade movement were originally driven by passionate supporters who just wanted to make Fair Trade successful. As the idea took root more and more opinion leaders took to Fair Trade and over time, products improved to the point that they were comparable or better than conventional Free Trade products. That coupled with increasing issues related to the food chain, and globalisation, including environmental degradation and concerns over working conditions has raised public awareness that there can be both “good” and “bad” consumption. Improved and increased distribution has made Fair Trade accessible to more areas of the market and major brands now recognise the potential of Fair Trade to raise their sales and use it as a marketing tool. The Fairtrade Labelling Organisation has also opened the Fair Trade sector up to major brands by making it possible to certify a single Fair Trade product in an otherwise conventional portfolio.

In the UK in the year 2000 an initiative started that is called the Fairtrade Towns Movement. This is a unique people’s movement across 19 countries with more than 890 certified Fairtrade Towns and cities. There are six criteria for towns and cities to meet in order to be certified:

1. Local committee;
2. City council;
3. Shops and catering industry;
4. Media attention and
5. Socially responsible entrepreneurship.

1. Local committee

The local committee has to be comprised of people from different working areas, among which there must be a representative of the municipality. The committee has to be determined to obtain and retain the title of 'Fair Trade Town, City or Municipality'. Every year the committee has to demonstrate that the municipality still lives up to the criteria.

2. City council

The city council (or municipality) has to embrace Fair Trade with Fair Trade incorporated into local policy and acted upon.

3. Shops and catering industry

There have to be shops in the municipality that are selling products which are Fairtrade certified, and the local catering industry must offer Fairtrade products. There is a minimum number of Fairtrade products that need to be sold in shops and via the catering industry, based on the number of inhabitants in the municipality.

4. Media attention

At least one event needs to be organized that draws media attention, e.g. obtaining the title. In addition, a plan needs to be developed to maintain the campaign in the news for the rest of the year, in the newspaper, on the radio or on the television.

5. Socially Responsible Entrepreneurship

The committee has to set up an initiative to stimulate Socially Responsible Entrepreneurship. This can be a short project or a project that will run for several years. E.g. stimulating biological or local products, renewable energy or honest banking.

In addition there are other annual events

1. World Fair Trade Day;
2. Fair Trade Fortnight and
3. Fair Trade Week.

1. World Fair Trade Day

World Fair Trade Day was first organized in 1996 by NEWS! (now part of WFTO Europe). Originally it was a European Fair Trade day. It is organized on and around every second Saturday in May and is being supported by thousands of citizens, Fair Trade Organisations, social and environmental movements, producers and consumers all around the planet. Local authorities, national governments and multilateral institutions have been supporting Fair Trade for several decades now. In 2010 World Fair Trade Day brought together worldwide Fair Trade networks including FTRN (Fair Trade Resource Network, USA) and Traid Aid (NZ). This is organized by a Dutch team, yet its scope is global.

2. Fairtrade Fortnight

Another event is Fairtrade Fortnight, originally a British event that takes place in late February/ early March each year. Every year there is a new theme. In 2011, the idea was that the nation should be asked to show off about buying Fairtrade any way they want. Ideas from the website included: "take part in our bunting record attempt, hold a fashion show with your friends, or be loud and proud about how your business supports farmers and workers in developing countries." Help is available to support local groups (often Fairtrade Town groups and coalitions). The country-based Fairtrade initiative has web-based campaigning tools that can be downloaded. This initiative is big in the UK, Belgium and Germany.

3. Fairtrade Week

In 2011 the Fairtrade Week will be organized for the fifth time. It is an initiative of the Max Havelaar Foundation and is based in the Netherlands. The essence is that consumers are encouraged to trade the products they normally buy and that aren't Fairtrade for Fairtrade products. Since the products are certified and quite readily available, it is a simple thing to do. Additionally, during the week numerous other activities take place from lectures to specials at the supermarket and from Fairtrade school breakfasts to creative outlets on the work floor. It is organized together with the Fairtrade Restaurant week which is aimed at the catering industry in order to increase their use of Fairtrade products. During the week people can reserve a Fairtrade dinner, which has to be prepared with at least one Fairtrade ingredient.

Activities in the South

Africa

Awareness has increased considerably in the African continent, but more is definitely needed. At the Fairtrade Africa Forum 2010, a discussion and presentation was held on the opportunity to create a movement in the South, based on the Fair Trade movement that exists in the North. All sorts of stakeholders would have to be involved in this movement. When COFTA was just set up in 2005, people in the North knew about Fair Trade, but the producers in Africa did not know much about it. Since then, awareness has increased, although many things can still be improved including trade within Africa itself. Joan Karanja, director of COFTA, mentioned that a Fairtrade coffee roaster in Senegal bought his beans in Germany, while it would be much easier and cheaper for him to buy them from Kenya. COFTA pledges to increase awareness, first of all through education, since many, particularly small producers, are uneducated. As she says: "Handicraft is the trade of the poor. They don't have the land to produce food."

An interesting development is in South Africa, where “there is a compelling need to empower disadvantaged workers. The extra resources that Fairtrade delivers, and the underpinning of Fairtrade standards with the national programme to encourage black economic empowerment, can contribute to that process.” Harriet Lamb, Executive Director, Fairtrade Foundation.

During apartheid, most of the land was held by the minority white farmers. The black workforce was uneducated, oppressed and without access to skills and training. Apartheid ended in the 1990s but there is still widespread disadvantage in South Africa. Fair Trade works to help disadvantaged groups to become more empowered. The South African government has set up the Broad-Based Black Economic Empowerment (B-BBEE), which is a unique, South African empowerment model. This model’s act 53 of 2003 aims to economically empower the black population and “aims to transform the economy so that black people have more access to opportunity and are included in the economy in a meaningful way. The act also aims to change the racial composition of ownership, management and skilled occupations in order to empower black people. Broad-Based Black Economic Empowerment Codes of Good Practice were passed in February 2007, which means they are now part of national legislation. These codes provide a framework with targets and a scoring system to measure levels of empowerment within South African enterprises.” The South African Citrus Project.

In addition, the Fairtrade Label South Africa, is very active promoting Fairtrade among the South Africans (Luthuli, 2010). The award ceremony was organized by the Belgian Development Agency in Brussels, Belgium in September 2010. It is awarded to an organisation that actively sells and promotes Fairtrade products and services and comprises € 5000,-. FLSA and FTSA plan to use this money for a long term project “that aims to create a Fair Trade movement in South Africa and, as a result, to increase awareness about Fair Trade and Fair Trade producers amongst the local population.” Luthuli (2010).

Asia

Many people in the North are aware of the child labor that occurs in Asia, through media attention and scandals that involved multinationals such as Nike and Reebok. But from a simple internet search, it appears that Fair Trade is less prominent in Asia than it is in Africa; there is much less information available. It could be that locally Fair Trade is known, yet it is less present on the internet.

Almost all respondents mentioned awareness in society. The majority found awareness to have grown. This trend is noti-

ceable in government agencies and educational institutions too. However, some respondents indicate that there is still a lot of room for improvement, especially in the domestic market.

From the returned questionnaires we learn that producers see that more and more companies are getting involved with Fair Trade. Some indicated that the reasons for this are that the concept has become more understandable and that existing Fair Trade companies encourage and help others to take up this form of trade.

South America

Almost all respondents indicate that more and more people in their respective societies know about Fair Trade. Some also say that this results in an increase in sales.

Several respondents indicate that producer awareness also is growing in their region. A side note to this development is that this is not particularly due to Fair Trade itself, but to the many new, so-called “Fair Trade organizations”, which are not Fair Trade according to the definition stated in chapter 1.

4.3. MEDIA ATTENTION PER REGION

Each regional WFTO network has been asked how often they communicate with, and what kind of activities they organise for, their members. The responses date from a questionnaire sent out regarding the year 2009. COFTA managed to get news exposure 7 times, compared to 2 times in the previous year. The number of hits on their website doubled, going up from 33600 to 64129 in 2009. The official COFTA website includes a ‘members only’ section, to which 80 member organisations had access. In addition, they published a newspaper, which was distributed to a total of 750 member and non-member organisations. COFTA did not hold any conferences for their members in 2009, but they did organise 3 workshops and 6 training sessions.

WFTO Asia obtained news exposures 11 times in 2009, a huge increase compared to the 2 in the previous year. They were not able to keep track of the number of hits in 2009, but in 2008 this added up to almost 100.000 hits. The ‘members only’ area on their website is currently in development and will be ready for use soon. WFTO Asia also published a newspaper. The 5 editions issued in 2009 were available to everyone who was interested. The network did not hold a members’ conference in 2009, but they did organise a 7 workshops and 6 training sessions.

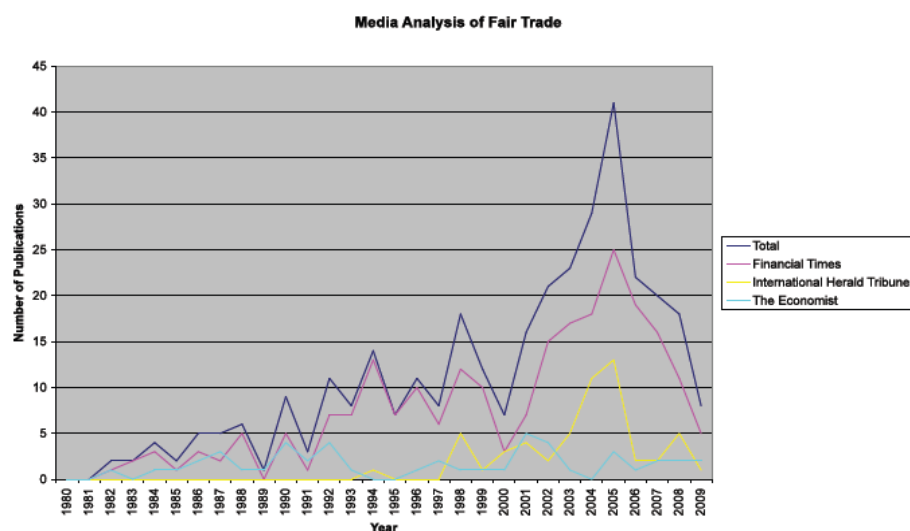
WFTO Latin America was in the news 7 times, a slight decrease compared to 9 times in the previous year. The number of hits on the website also slightly decreased, from 23932 in 2008 to 21092 in 2009. They have a 'members only' section on their website, but did not define how many members have access the other networks, WFTO Latin America also published a newspaper which was available to all interested parties. They published 300 copies of 8 editions. The Latin American network held several conferences for members: twice in 2009 and once in 2008. They also organised 5 workshops and 7 training sessions. In 2008 they held 10 workshops and 3 training sessions.

4.4. MEDIA ANALYSIS

The intention of this section is to analyze how much media attention has been given to Fair Trade. It focuses on the development of Fair Trade and is therefore retrospective. This concept is based on the fact that issues often follow a fixed pattern. A Media Analysis has been performed and change determinants have been determined accordingly. Two sources were employed for the Media Scan. First, Google News Archive Search generated a Timeline for the terms 'Poverty and Fair Trade'. Then, Lexis Nexis was utilized to find news articles from 'Financial Times' and 'International Herald Tribune' with the following key words: (Fair Trade and poverty) or (Fair Trade and impoverished) or (trade inequalities) or (sustainable purchasing) or (Fair Trade and labels) or (Fair Trade and developing countries) or (Max Havelaar) or (trade and ethics) or (Fair Trade and Oxfam) or (fair-trade and foundation). The reason why the Financial Times, the International Herald Tribune and the Economist were used as sources is because they all have different origins. The Financial Times and the Economist are UK based, while the International Herald Tribune is

published from the U.S. The research has aimed at a diversified portfolio of media articles. In addition, as Fair Trade is currently placed as an interface issue between civil society and market, it was decided to choose papers that focus on business. The timeline has been set from 1980 to 2010 to portray a clear trend.

Even though the issue of Fair Trade started to feature in the press in the 1960s with the introduction of CAC (The Code Alimentarius Commission), an organisation addressing fair practices in food trade, it took until the 1980s before a clear trend started to arise (Hoffmeister et al., 2006). From 1981 until 1987 the issue gradually received increasing media attention. This could have been triggered by President Reagan's decision to extend a tariff free entry into the U.S. for goods from developing countries. The peak in 1988 might be related to the discussions about the transformation of the GATT, General Agreement on Tariffs and Trade, into the World Trade Organisation. The so called 'Uruguay Round', the Multilateral Trade Agreement where the discussion took place, had major consequences for developing countries in the area of liberalization in agricultural trade (Martin and Winters, 1996). This had major impact on developing countries as economic liberalization was the main issue involved. The sudden drop in media attention in 1989 could be explained by an external factor, being the fall of the Berlin Wall. However, around the 1990s, awareness of Fairtrade grew rapidly as Max Havelaar, established in 1988, was replicated in several other markets across Europe and North America. Until 1993 overall media attention rose but there were low spots as well. It is very likely that continued talks about the 'GATT Deal' (which eventually were concluded in December 1993) account for this. The peak in 1994 was likely due to the fact that the Fairtrade Foundation launched a Fairtrade label for tea (Fairtrade Foundation, 2011). An additional rapid growth was triggered in



1997, when the Fairtrade Labelling Organisations International (FLO) was established. In 1998, the growth was supported by the launch of the first global standard for business ethics (Buckby, 1998) and the start of a campaign to support Fair Trade with developing countries through Fairtrade Fortnight. The upward trend is followed by a big decline in 2000, possible due to the burst of the dot.com bubble.

Nonetheless, rapid growth continues once again because of the launch of the international Fairtrade Certification Mark and a yearly World Fair Trade Day in 2002 as well as the split of FLO into two dependent organisations in 2004 (Kocken, 2006). Then media awareness peaks in 2005 when the G8 Summit in Scotland was held to discuss the issue 'aid for trade' (Ostros et al., 2005). As the latter was such an important event in time, media awareness for Fair Trade has not reached similar levels again. However, Fair Trade brands like Oxfam continue to raise awareness through campaigns like 'The Sweetest Valentine Kiss' (2007) aimed at persuading Nestlé to improve their cacao sourcing practices and switch to Fairtrade. In 2010, two major events took place; both Starbucks and Kit

Kat announced that their products are 'going Fairtrade' (Max Havelaar Stichting: Starbucks, 2010; Fairtrade Foundation: Kit Kat, 2010). The ongoing drop in media attention nonetheless indicates that Fairtrade's overall significance is decreasing. This will present a major challenge to the survival of the Fair Trade concept over the long run.



“An outlook for a better life”

An interview with Peter from Zimbabwe and Daan van Vugt from The Netherlands

Producer: Peter, Zimbabwe

Importer: Daan van Vugt, The Netherlands

Company: Amandla

Peter, where do you come from and what does your country look like?

Peter starts laughing. He says that Zimbabwe is a beautiful country full of wild animals. It is not desert land, but it definitely is land. Zimbabwe is land-locked; it has no sea-coast and is surrounded by other countries: Botswana, Mozambique, South-Africa and Zambia. The capital of Zimbabwe is Harare, which is where Peter lives. Literally translated Zimbabwe means 'house of stone'. The country obtained this name due to the many types of stone that are present in the soil.

What products do you make and supply to Daan?

We make carvings out of different types of stone. Each stone has a different hardness. One artisan can make about 50 carvings in a month, depending on the size. Every half year a shipment is sent to the Netherlands. There the carvings are for sale at Amandla in Centrum Mondiaal.

How do you make the carvings?

Zimbabwe has a stony soil. Serpentine is the general name for these different types of stones. It is also known as snake stone. The stone is found close to the surface of the earth and is mined by people employed to do that. Then the stone needs to be transported from the mine to the working place. The snake stone has to be transported over a distance of 200 km, so a truck needs to be rented. Mining and transporting the stone is the most expensive part. It is also the hardest part because it doesn't go naturally. You need a travel permit (which costs money) so people try to smuggle it. The police are corrupt. While you are on the road you can be checked by the police who will demand bribes. If you are unable to pay, your cargo is likely to be confiscated. At that point you have no other choice but to unload, because the truck has been rented for a certain number of hours.

At the work place the larger pieces are processed into smaller pieces of stone that can be worked with. The sculptors work in the open air with different kinds of tools. First the shape is roughly carved out, then a knife, file and coarse sandpaper are used to model the carving further. The final phase consists of further scraping with polishing paper until the surface is entirely smooth. This is a time consuming process. Finishing

involves placing the carvings around a wooden fire to heat them up. When they are properly hot they are smeared with melted wax. This gives them an especially beautiful color, because the melted wax will draw into the stone. This allows the stone to reveal its structure.

With how many people do you cooperate in Harare?

The carvers work in a number of different places in Zimbabwe. There are 50-100 people in each workplace. In total about 300 families are involved. The carvers began to cooperate about fifty years ago. It started with a German priest. Back at the time it wasn't called Fair Trade of course, but we have always worked according to those principles.

What are you most proud of?

I am most proud of the fact that we export our carvings to Europe. At first that wasn't possible and we could only sell them in Zimbabwe. But that was almost impossible because so few people had money, we had almost nothing to do. Due to the political situation, tourists stayed away. It means a lot to us that we can sell our products to Europe now. People in Zimbabwe work hard to survive. We have been exporting to Europe since 1996.

What does it mean for you to be involved with Fair Trade?

It creates visibility for our product in the market. This provides an income which the people really need. Without paying tuition fee, our kids cannot go to school. People in Zimbabwe don't have savings. Thanks to our income the kids can go to school now.

Access to the (European) market and the sale of our products is therefore most important to us. Working conditions and the working place can be improved. But at least we do not employ children. By nature kids from Zimbabwe are very polite and friendly. "They please more." Dutch children could take an example from that, Daan laughs.

How did you get in touch with Daan, the importer from the Netherlands?

Through a friend in Amsterdam producer Peter and importer Daan got in touch with each other. Daan says: "I had a certified agent in Zimbabwe, but he left. I had paid € 15.000,- in advance and never saw any of that back again. This person had cheated me and it almost left me bankrupt." A woman in Amsterdam, who knew both Peter and Daan, then got the two of them together. She had a trading relationship with a cousin of Peter who sells postcards. She said to Daan: "Maybe Peter can deliver to you and help you out that way." And that is how it went. They have been working together for the last two years.

How do you like being here in the Netherlands (have you been here before)?

I have been in the Netherlands once before. I take every opportunity to look at how the market works here. What can I do to enable me to sell more? I hope that as many people as possible want to buy my products. It really helps us. I also look at packaging possibilities for transport to the Netherlands. Yesterday we went to the harbor of Rotterdam and we have just looked at the containers. Loading the containers in Zimbabwe is something we do ourselves.

What would you like the people who buy your products here, to know?

Peter starts laughing. Daan explains that the political situation in Zimbabwe is in such a state that Peter cannot say anything without consequences. Artisans are scared. Daan is one of the few buyers that still travels to Zimbabwe. He says: "What I find so sad about the situation is that it doesn't provide people with a future. That is the little difference we can make with Fair Trade. To help people have work, income, a future. Is that how you would describe it, Peter?" Peter nods in agreement and says: "Yes. An outlook for a better life."



Background

Zimbabwe. President Mugabe and his ruling party ZANU-PF have been in power since 1980. They try everything to maintain their position. Economical growth and the welfare of the population are suffering. In Zimbabwe famine prevails and Mugabe seems incapable or unwilling to deal with it. At the end of 2008 there was an cholera epidemic which Mugabe fiercely denied. During the elections in 2008 Mugabe followers used violence and intimidation against members of the opposition, media and union activists. Also, laws that limited freedom of speech, press freedom, voting rights and legal protection were implemented at an accelerated pace.

Opposition leader Tsvangirai of the Movement for Democratic Change (MDC) seemed to have won the first round of the presidential elections. As a consequence so much violence was inflicted on Mugabe's opponents that Tsvangirai withdrew for the second round. Hundreds of people were beaten up, kidnapped and tortured. Union leaders were brought to court repeatedly. The violence lasted until February 2009 when a new government was installed. Mugabe remained president, Tsvangirai became prime minister.

The Zimbabwean economy has been in a negative spiral since 2000. The inflation rate is in the thousands of percentages and unemployment is high. Prices for food rise continuously. Many people can barely provide for their basic needs, such as food, housing, education and medical care.

Since 2007 it has been possible to use American dollars as currency in Zimbabwe. This way Daan can show that his producers earn above the living wage. With the high inflation rate that was previously impossible. To compare, when it comes to the wages in Zimbabwe: a teacher earns 250 American dollars a month. If he combines this with other activities, he can earn a total of 400 American dollars a month.

“Fair Trade shops in India are a big hit”

Worldwide over four thousand Worldshops exist. Only a small number of these shops are located in the producing countries, even though some of these countries are developing quickly. An example of this is India where the upper- and middle class continues to grow rapidly.

DAWS works on market development in the South and helps producers in their quest for alternative sales in their own country. Many big producing organisations recognise this development; the Indian Asha Handicrafts, for example, has taken serious steps to start its own shops after facing stagnation in its exports to the West in 2004 and after seeing growth in local markets.

Development of the shop formula

Asha now has three Fair Trade shops in Mumbai and ten shop-in-shop stores in a big bookshop chain all over India. In 2004, they opened a shop for products made by Asha producers without a supporting retail concept. This did not work out unfortunately and the shop was closed after a year. Towards the end of 2006 they developed a new approach: the current shops have been put in the market as a brand under the name Karigar, which means 'artist'. The shops are located in big shopping malls. When you enter such a mall, it is an incredible experience: the malls have shops like Esprit, Mexx, opticians, a cinema, a supermarket, a Pizzahut and a diversity of other restaurants. The mall attracts a large number of visitors every day, and the opening hours are from 10.00am to 9.00pm. Shop staff can be recognised by their company outfit, work six days a week and get paid properly.

Working in a climate neutral way

In India the climate is considered to be important. The Karigar shops work with environmentally friendly materials. The walls are decorated with the insides of mattresses, the ceilings have been made of recycled materials, all lamps are energy saving lights and the customer bags are made of recycled newspapers. Furthermore, it is not only Karigar itself that wants to promote sustainability, the mall owners do as well: in order to be allowed to open a shop in the mall, you have to work in a climate neutral way. Then, waste from the shop is collected and recycled, which also creates employment opportunities.

Expectations for the future

Commercial retailers have been approached to set up and expand the chain. Asha is expecting to make profits with the shops from 2011 onwards. These profits can be invested in social projects, such as education programs for street children, empowerment projects for women, working with micro credit and so on.

A beautiful and inspiring example of the development of shops in the South.

“Aid helps trade”

'Fair Trade is trade, not aid'. This is a well-known slogan among Worldshops. The fact that trade and aid do in fact reinforce each other shows in the case of New Sadle, a Nepalese producer. The company Tilingo-Nepra supplies the Worldshops with the products of New Sadle. This Fair Trade producer works with leprosy and AIDS patients. In response to a request from the producer organisation, Tilingo-Nepra helped it in building a nursing home, two schools, two small hospitals and a quality access road to the area. "Sometimes aid is required more than trade", explains Marijke Visser of Tilingo-Nepra. But this is no reason to stop trading.

Vulnerable groups

"New Sadle has asked us to help building a nursing home for handicapped elderly people who are not able to work anymore". The Nepalese view illness as a punishment from God. Leprosy patients and women with AIDS often become outcasts. The employment that New Sadle provides is often their only alternative. Also their children are often not accepted in society. This is where the New Sadle schools help. Marijke is convinced that trade is important, but also that good education brings a country forward. To invest in education and healthcare is also an investment in the development of the country. Owners of worldshops in Oosterbeek, Aarle-Rixtel and Culemborg were present at the official opening of the second school in May 2009.

Trade

The income that the employees earn in selling felt products is very important to them. "This way they can afford tuition for their children", explains Marijke. "It is trade that enables that to happen; they are not dependent upon us". The trade is flourishing. The current felt-making workshop in Kathmandu is to be expanded and a new workshop will be built in the area of Dhandkola. In the near future, Marijke will take a designer to Nepal to teach the women in the current workshop new techniques. These trained women will in turn go to the new workshop in Dhandkola.

Laying the foundations

"It is important that the women have access to a hospital and medications, that their children can go to school, and that they are to be reached more easily. This way we lay a foundation for women who are particularly disadvantaged in Nepal", explains Marijke. The combination of trade and aid allows Fair Trade organisations to create employment and a future for the most vulnerable groups in society.

Source: Dionne Irving

Fair Trade: A Success story for Producers and Consumers?

No large scale research has been conducted prior to this study to reveal hard sales figures for Fair Trade producers in the South. Therefore, this report sets out to establish the impact that Fair Trade has on the producers of Fair Trade in the South. Estimates in this report serve as the much needed basis against which future measurements of sales in the South can be evaluated.

The Fair Trade movement has had immense success since its initiation. This report established that total sales of Gifts and Living products on producer level in Africa reached € 10,3 million in 2009, total sales in Asia is estimated at € 19,4 million in 2009 and the same figure in South America came to approximately € 4.2 million in 2009. Taken together, the producers of Fair Trade Gifts and Living achieved total sales of € 34.4 million on producer level (which means € 285.7 million on consumer level in the Northern countries). Worldwide sales of Fair Trade food (FLO-certified) produce increased from almost € 815 million in 2004 to approximately € 3.4 billion in 2009. Increased consumer awareness both in the North and in the South combined with large companies switching to 100% Fairtrade products have contributed strongly to that growth. At the same time, the number of members of Fair Trade networks continued to increase.



This report has also established the significant impact Fair Trade has on the most marginalized people who work as Fair Trade producers. These people often live in the slums, lack skills, have very little to no education or are infected with HIV AIDS. Often people perceive the higher price that producers receive as the only impact of Fair Trade. Although it is true that the increased income helps the producers to reduce poverty and to increase their well-being, an improved quality of life entails more than that. Fair Trade provides access to (export) markets, creates jobs, ensures fair working conditions, including equal treatment of both genders, and takes the environment into account. An example of the environmental consideration is the development of the Sustainable Fair Trade Management System (SFTMS), aimed at making the entire company more sustainable. This report shows the hard numbers to support these claims.

Based on the answers of the producers who returned the survey, in Africa we estimate that more than 19.000 jobs were created thanks to Fair Trade. Among those employees, 69% are women who get paid for their work, something that is not too common in Africa. It is a major contribution to the well-being of the people, especially since the producers themselves have also indicated that employment is a major issue for them, a bigger issue even than HIV/AIDS. In Asia more than 215.000 jobs have been created, of which 41% are held by women. In South America more than 2100 jobs were created, with a remarkable 83% filled by women.

Despite these magnificent results, the world export of merchandise reached US\$ 15.8 trillion (€11,47 trillion) in 2008 (World Trade Organization, 2009), and Fair Trade represents only a small fraction of that figure. Although the Fair Trade movement has worked hard and has made impressive progress since its initiation, much still needs to be done in order to further cultivate the Fair Trade movement. There is strong need for an official label in the non-food sectors for example, such as in handicraft or clothing. Increasing awareness among the citizens of producing countries and simplifying the certification process could also benefit the movement significantly.

In closing, although Fair Trade is not (yet) solving poverty, it does make a considerable positive contribution towards poverty alleviation. Not only due to growing sales figures, but equally importantly on a personal level: increasing the well-being of the most marginalized people. The Fair Trade movement gives hope by improving trading conditions for farmers and workers in the developing world a little bit every day, hoping that one day, all 'conventional' trade will be Fair.



SECTION 2

Facts & Figures



1. WHAT IS FAIR TRADE

Figure 1.1: Percentage of usage WFTO logo in Africa

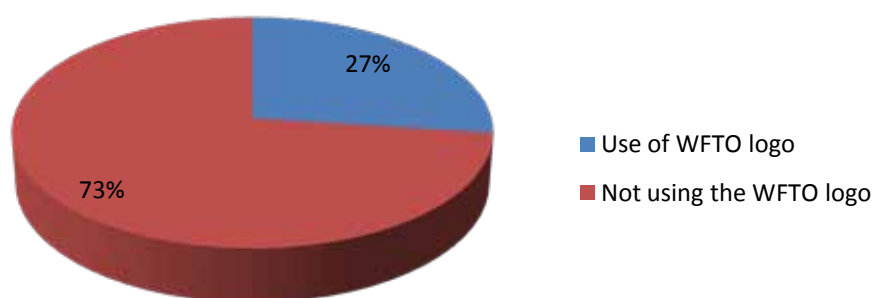


Figure 1.2: Usage of logo's and/or labels

	Africa	Asia	South America
Use of WFTO logo	30	34	7
Use of Fairtrade label	N.A.	9	1
Use of other logo	11	17	2

Figure 1.3: Reason for not using the WFTO logo

Reason	Africa	Asia
I am not FT certified	44	9
I do not know how	15	4
It's too expensive to get the logo	6	4
It has not been necessary for my business	2	4
It will not make any difference	4	1
Other	9	15

Figure 1.4: Usage of other logos in Africa

Number of African organisations using other logos	
Own logo	6
Not certified	2
KEFAT	1
Organic, IMO Fair for Life	1
Rwanda Development Board	1

Figure 1.5: Percentage of usage WFTO logo in Asia

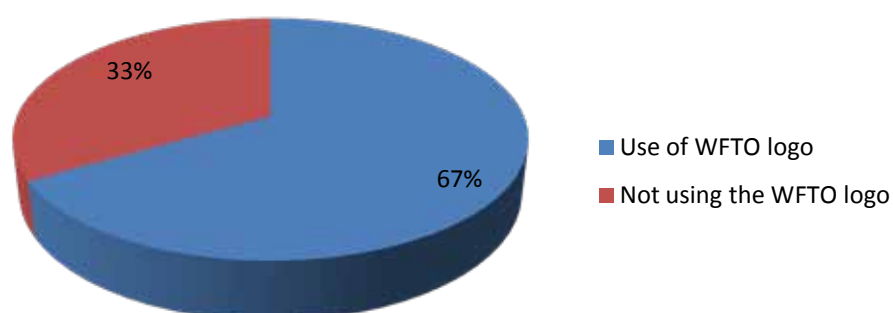


Figure 1.6: Usage of other logos in Asia

Number of African organisations using other logos	
Usage of other logos in Asia	6
Own	3
FLO	3
DH Logo	1
WFTO SFTMS certification	1
ACT logo for our mulberry leaf tea products	1
SIPA label for domestic market	1
Ifoam / Act	1
ISO 9000:2010	1
Organic Certification in Food products	1
Fair & Square logo	1
Alola Esperansa Logo	1

Figure 1.7: Are the Fair Trade standards easy to comply with?

	Africa	%	Asia	%	South America	%
Yes	34	31	9	18	1	14
No	15	14	39	76	2	29
Not Indicated	62	55	3	6	4	57

2. TRENDS AND DEVELOPMENTS

2.1. SOUTHERN COUNTRIES

Figure 2.1: percentages of the areas of trends and developments in Asia

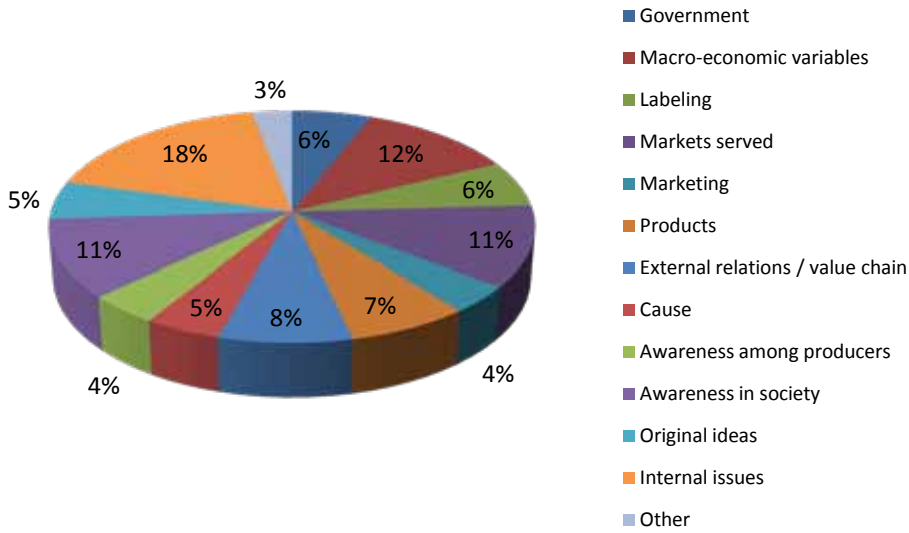
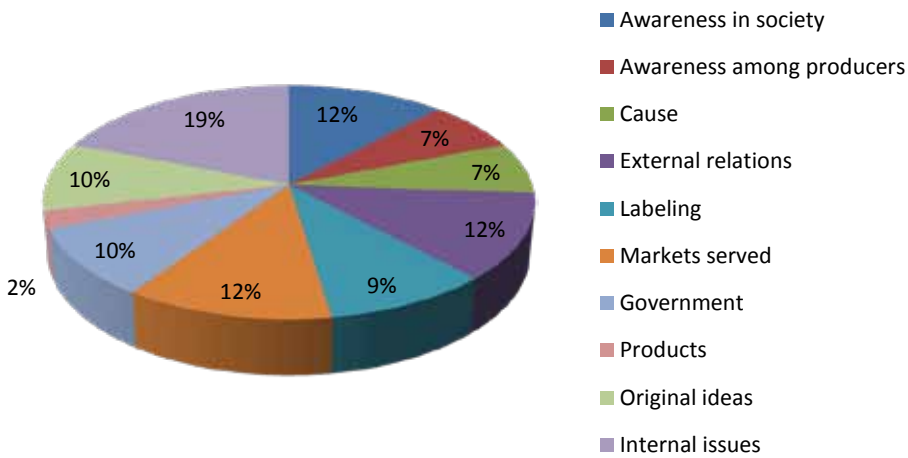
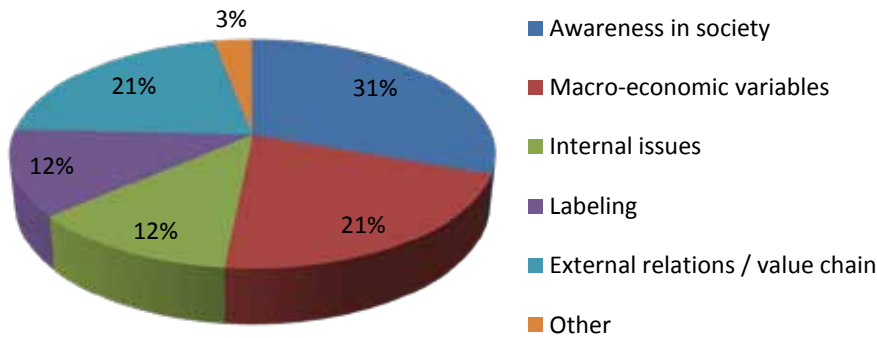


Figure 2.2: percentages of the trends and developments in South America



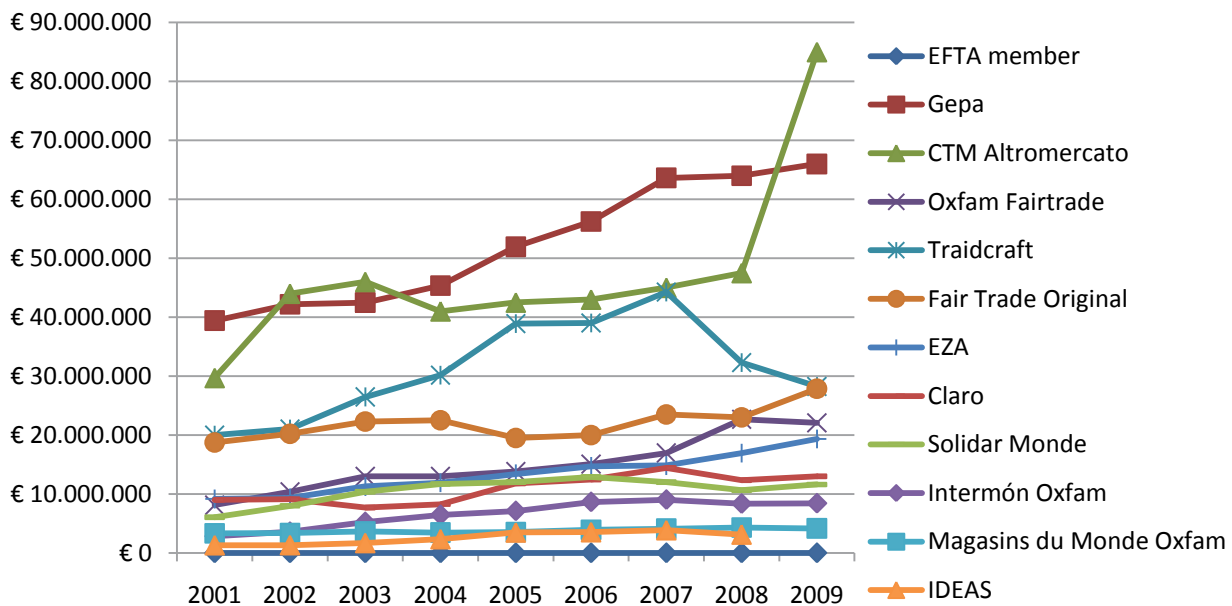
2.2. NORTHERN COUNTRIES

Figure 2.3: percentages of the trends and developments in the Northern countries



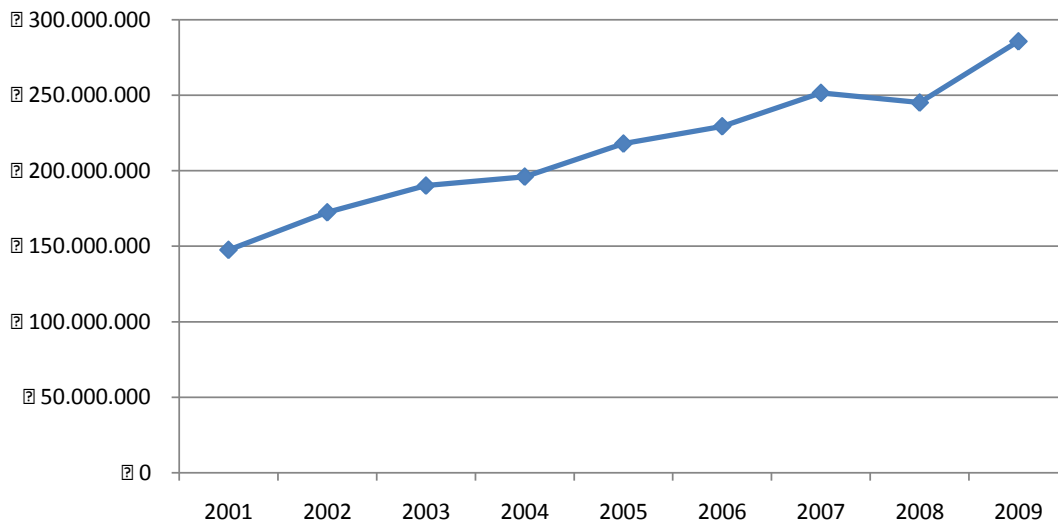
2.3. IN PREVIOUS YEARS

Figure 2.4: Total Fair Trade retail value* (in euros) by individual EFTA member



Data source: EFTA Statistics 2003, 2004, 2007, 2008 and 2009

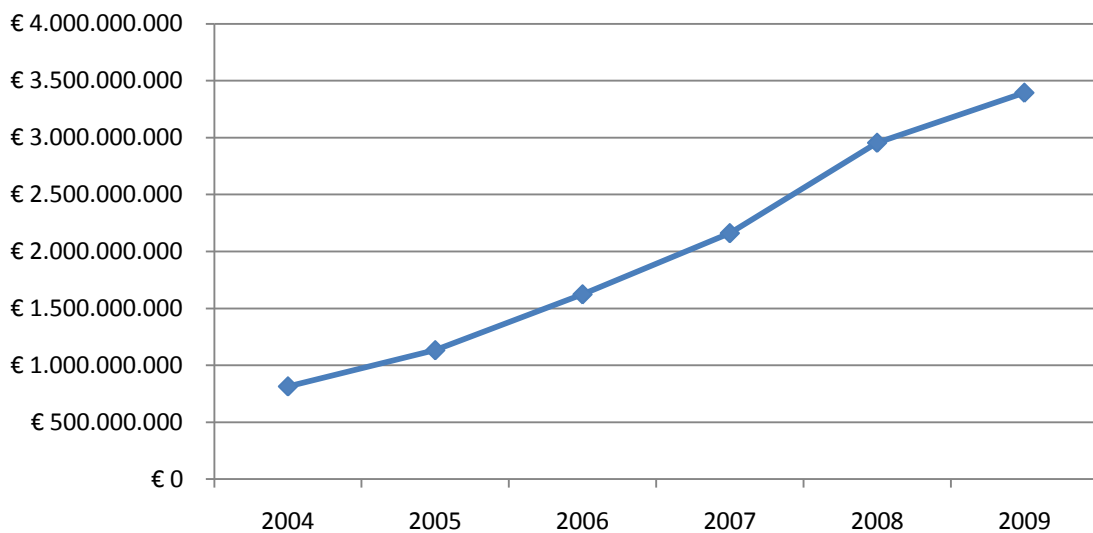
Figure 2.5: Total Fair Trade retail value* (in euros) by all EFTA members jointly



Data source: EFTA Statistics 2003, 2004, 2007 and 2008

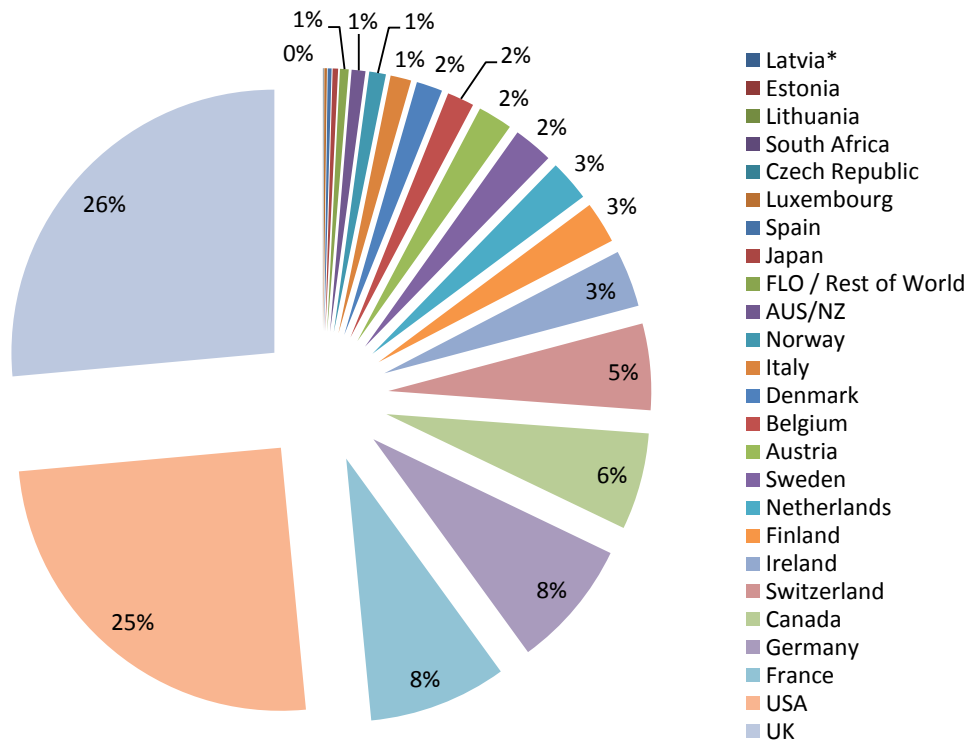
* Retail value of a product is the price paid by the final consumer less the Value Added Tax, excluding sales to other EFTA members.

Figure 2.6: Total value retail sales by FLO members around the world (in euros)



Data source: Annual Report FLO 2003 – 2009

Figure 2.7: Total value retail sales in 2009 around the world (in euros)



Data source: Annual Report FLO 2009

* Countries listed in order of ascending share of sales

Figure 2.8: Total value retail sales by FLO members (in euros)

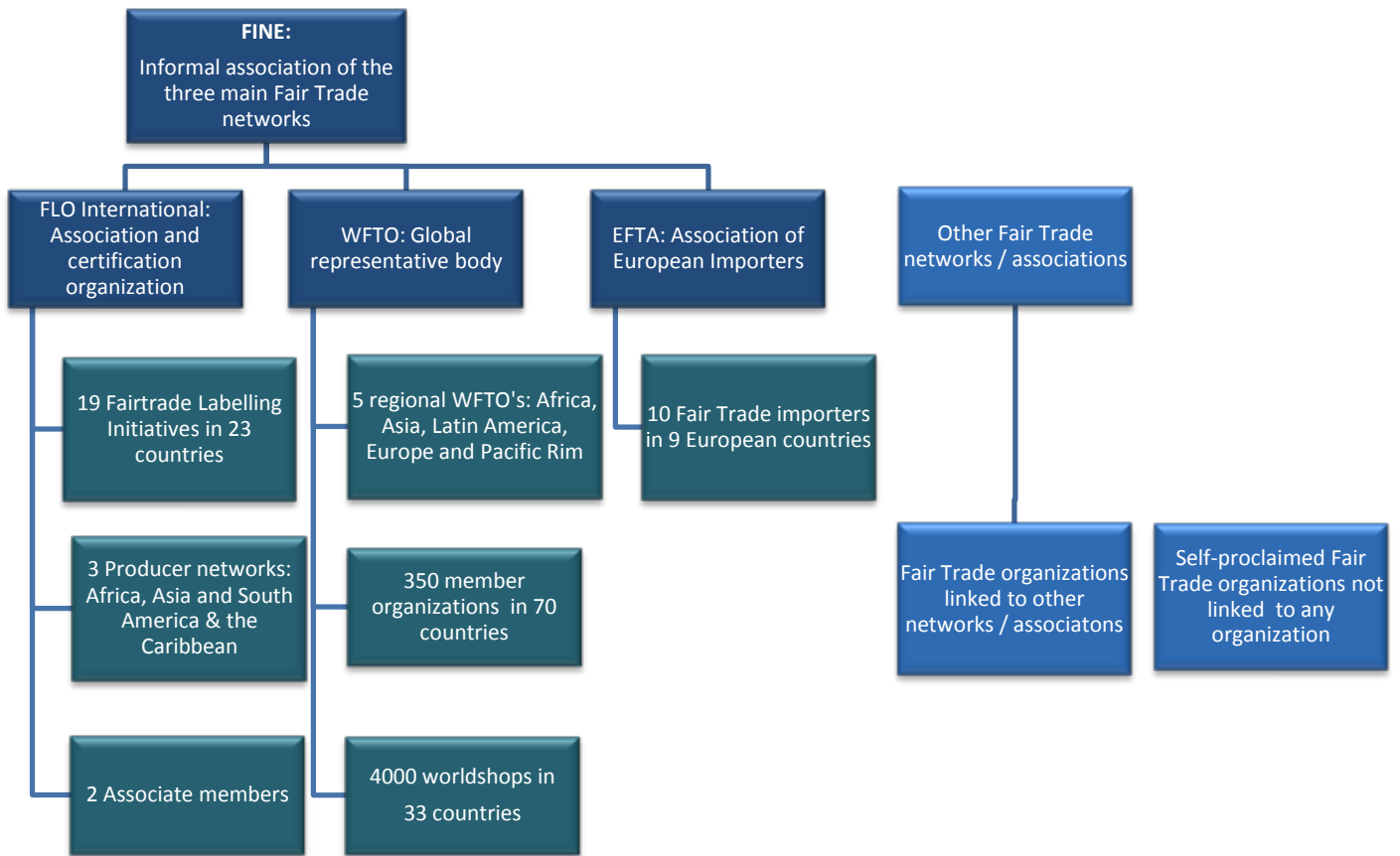
Country	Year >					
	2004	2005	2006	2007	2008	2009
AUS/NZ	-	€2.500.000	€6.800.000	€10.800	€18.567.280	€28.733.986
Austria	-	€25.600.000	€41.700.000	€52.794.306	€65.200.000	€72.000.000
Belgium	€13.605.000	€15.000.000	€28.000.000	€35.000.000	€45.780.141	€56.431.496
Canada	€17.536.575	€34.800.000	€53.800.000	€79.628.241	€123.797.132	€201.978.074
Czech Rep.	-	-	-	-	-	€556.540
Denmark	€13.000.000	€14.000.000	€23.200.000	€39.559.534	€51.220.106	€54.436.609
Estonia	-	-	-	-	-	€295.045
Finland	€7.553.000	€13.000.000	€22.500.000	€34.643.000	€54.445.645	€86.865.284
Rest of World	-	-	-	-	€130.722	€18.099.255
France	€69.670.360	€109.100.000	€166.000.000	€210.000	€255.570.000	€287.742.792
Germany	€57.500.000	€70.900.000	€110.000.000	€141.686.350	€212.798.451	€267.473.584
Ireland	€5.051.630	€6.600.000	€11.600.000	€23.335.678	€94.429.586	€118.574.416
Italy	€25.000.000	€28.000.000	€34.500.000	€39.000.000	€41.284.198	€43.382.860
Japan	€2.500.000	€3.400.000	€4.100.000	€6.200.000	€9.567.132	€11.283.451
Latvia	-	-	-	-	-	€153.500
Lithuania	-	-	-	-	-	€315.380
Luxembourg	€2.000.000	€2.300.000	€2.800.000	€3.200.000	€4.249.301	€5.327.122
Netherlands	€35.000.000	€36.500.000	€41.000.000	€47.500.000	€60.913.968	€85.818.400
Norway	€4.785.900	€6.700.000	€8.600.000	€18.069.198	€30.961.160	€34.689.522
South Africa	-	-	-	-	-	€458.075
Spain	-	€300.000	€1.900.000	€3.928.213	€5.483.106	€8.030.724
Sweden	€5.494.505	€9.300.000	€16.000.000	€42.546.039	€72.830.302	€82.662.331
Switzerland	€136.000.000	€133.800.000	€142.300.000	€158.101.911	€168.766.526	€180.160.263
UK	€205.556.621	€276.800.000	€409.500.000	€704.314.576	€880.620.304	€897.315.061
USA	€214.603.263	€344.100.000	€499.000.000	€730.820.000	€757.753.382	€851.403.590
Total	€814.856.854	€1.132.700.000	€1.623.300.000	€2.160.547.846	€2.954.368.442	€3.394.187.360

Source: Annual Reports FLO 2003 – 2009

3. THE FAIR TRADE PLAYERS

3.1. OVERVIEW

Figure 3.1: Schematic overview of the biggest organisations in the Fair Trade movement



3.2. PRODUCERS

Figure 3.2: Countries where certified Fairtrade producer organisations are located

South America	Africa	Asia
Argentina	Benin	China
Belize	Burkina faso	East Timor
Bolivia	Cameroon	India
Brazil	Comoros islands	Indonesia
Chile	Congo democratic Rep.	Kyrgyzstan
Colombia	Egypt	Laos
Costa Rica	Ethiopia	Pakistan
Cuba	Ghana	Palestine
Dominican Republic	Ivory Coast	Papua new
Ecuador	Kenya	Guinea
El Salvador	Madagascar	Philippines
Guatemala	Malawi	Sri Lanka
Haiti	Mali	Thailand
Honduras	Morocco	Vietnam
Jamaica	Mozambique	
Mexico	Rwanda	
Nicaragua	Senegal	
Panama	Sierra Leone	
Paraguay	South Africa	
Peru	Tanzania	
The Windward islands	Togo	
	Tunisia	
	Uganda	
	Zambia	
	Zimbabwe	

Source: Annual Report 2008 FLO

Africa

Figure 3.3: Types of organisation in Africa

Type of organisation	Number of member organisations of this type
Primary organisation	23 / 111
Secondary organisation	83 / 111
Support organisation	93 / 111

*Note: organisations can be more than one type

Figure 3.4: Graphical depiction of types of organisation in Africa

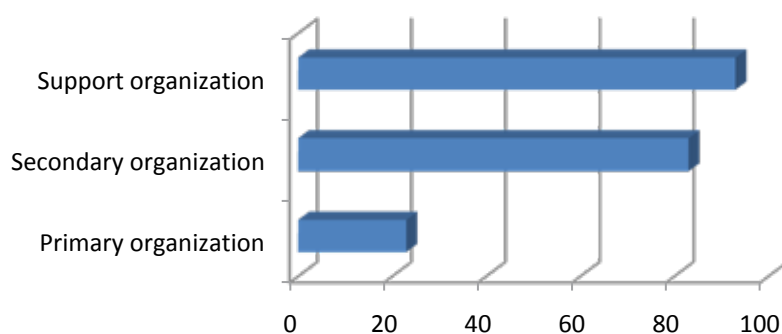


Figure 3.5 Types of product made by African producers

Type of product	Number of member organisations producing it
Footwear	99
Furniture	99
Garments	88
Gifts	54
Textiles	80
Utensils	88
Jewellery	65
Leather Goods	87
Sports	108
Stationary	92
Other	85

Figure 3.6: Graphical depiction of figure 3.5

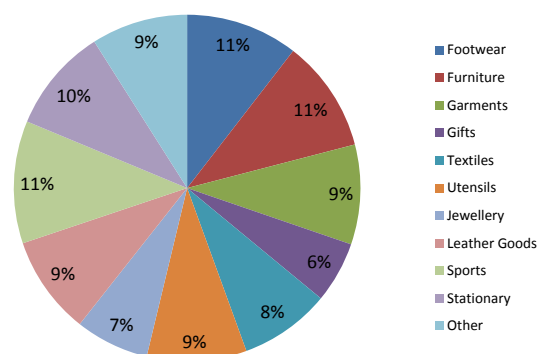


Figure 3.7: Sales Destination

	Africa	Asia	South America
Local market	51%	27%	36%
East-Africa	2%	> 1%	> 1%
African countries	3%	> 1%	> 1%
Europe	23%	48%	49%
South America	> 1%	> 1%	> 1%
North America	18%	16%	13%
Asia	2%	6%	> 1%
Australia	1%	3%	1%
New Zealand	1%	1%	2%

Figure 3.8: Graphical depiction of the destination of products originating in Africa

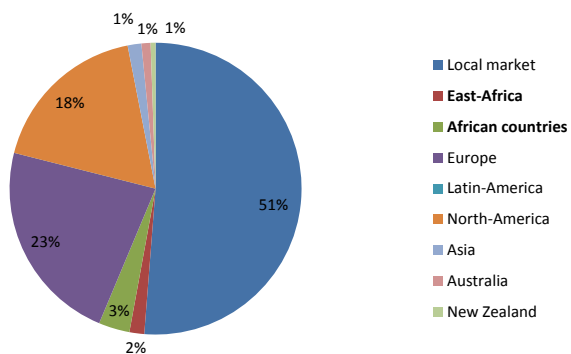


Figure 3.9: Graphical depiction of the destination of products originating in Asia

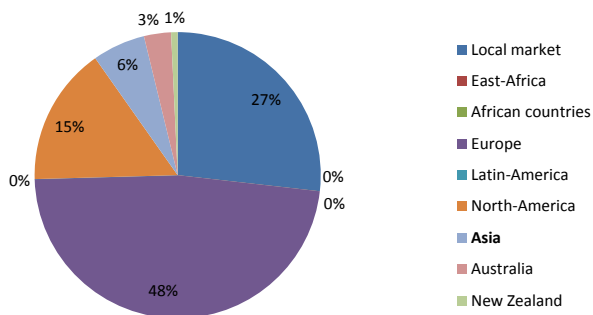


Figure 3.10: Graphical depiction of the destination of products originating in South America

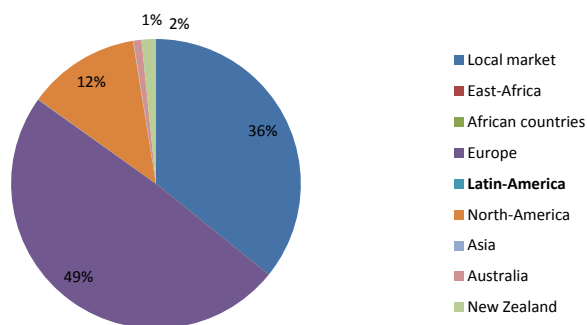


Figure 3.11: Local sales versus export sales (in US dollars)

	Africa	Asia	South America	Total
Local sales	\$5.916.000	\$3.094.000	\$135.000	\$ 9.145.000
Export sales	\$7.459.500	\$7.945.500	\$682.500	\$ 16.087.500
Total sales	\$14.175.500	\$12.089.500	\$817.500	

Figure 3.12: Local sales versus export - world

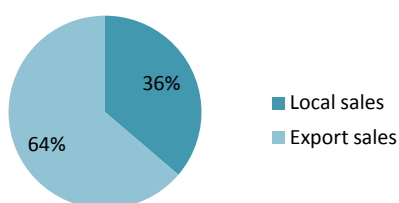


Figure 3.13: Local sales vs. export - Africa

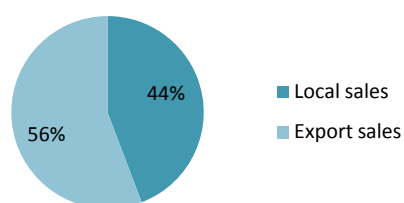


Figure 3.14: Local sales vs. export - Asia

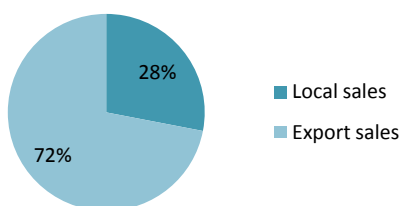


Figure 3.15: Local sales vs. export - South America

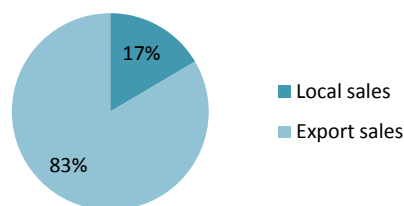


Figure 3.16: Main customers of African sales

Type of customer	Percentage of local sales	Percentage of export	Percentage of local sales + export
Wholesalers	58%	84%	65%
Retailers	35%	14%	29%
Consumers	7%	3%	6%

Figure 3.17: Main customers local sales Africa

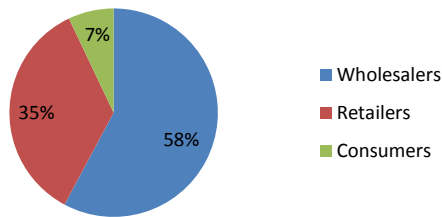


Figure 3.18: Main customers export Africa

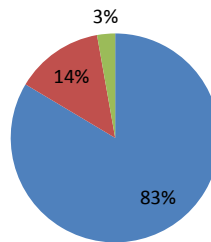


Figure 3.19: Trading partners in Africa

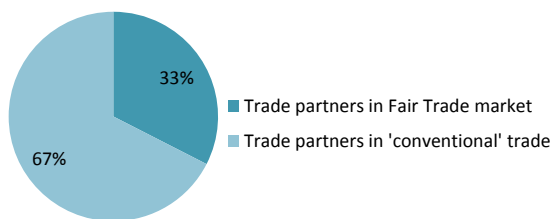


Figure 3.20: Use of external funding

	Number of organisations in Africa	Number of organisations in Asia	Number of organisations in South America
Using external funding	60	26	5
Not using external funding	51	25	2

Figure 3.21: Use of external funding

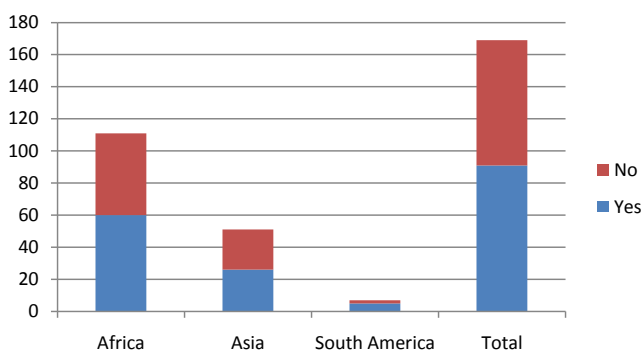
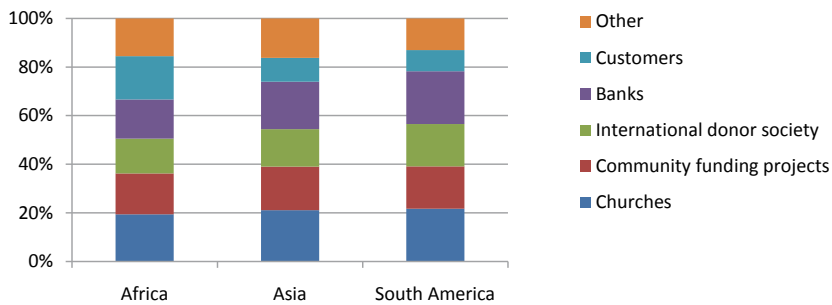


Figure 3.22: Sources of external funding

Source	Number of organisations in		
	Africa	Asia	South America
Churches	60	26	5
Community funding projects	52	22	4
International donor society	44	19	4
Banks	50	24	5
Customers	55	12	2
Other	48	20	3

Figure 3.23: Sources of external funding



3.3 ASSOCIATIONS

Figure 3.24: Number of Worldshops run by members

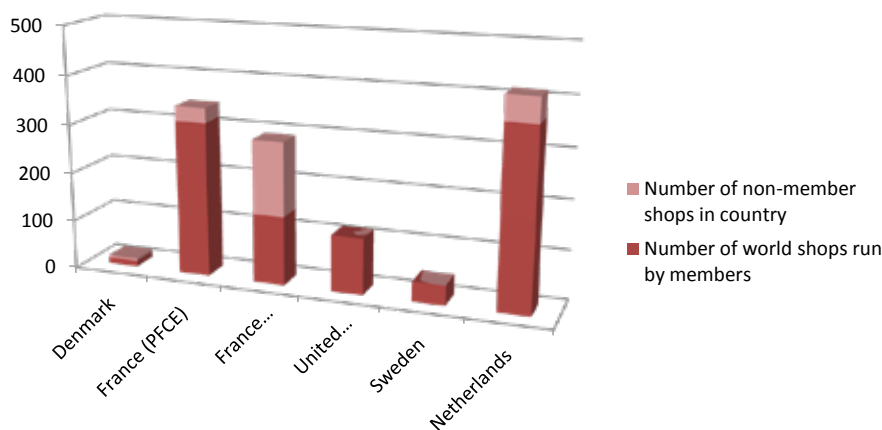


Figure 3.25: Net retail value of sales by Worldshops

Country	Sales in euro	Average sales per Worldshop
Denmark	€ 948.244	€ 55.779
France (PFCE)	€ 10.880.000	€ 31.536
France (FADM)	€ 9.400.000	€ 32.414
United Kingdom	€ 10.907.375	€ 94.847
Sweden	€ 20.659	€ 504
Netherlands	€ 31.000.000	€ 74.879
Total	€ 63.156.278	€ 48.326*

*Overall average per Worldshop

Figure 3.26: Graphical depiction of net retail value of sales by Worldshops

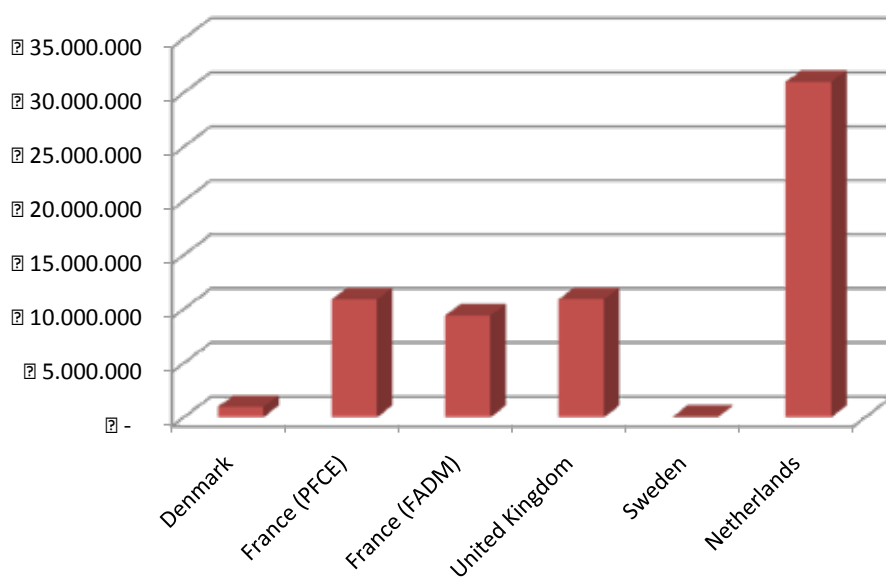


Figure 3.27: Food and non-food sales by Worldshop members with and without FLO label

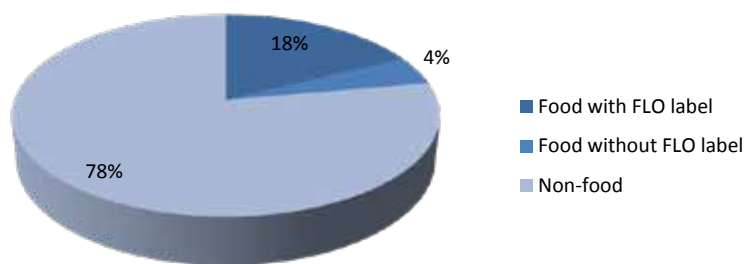
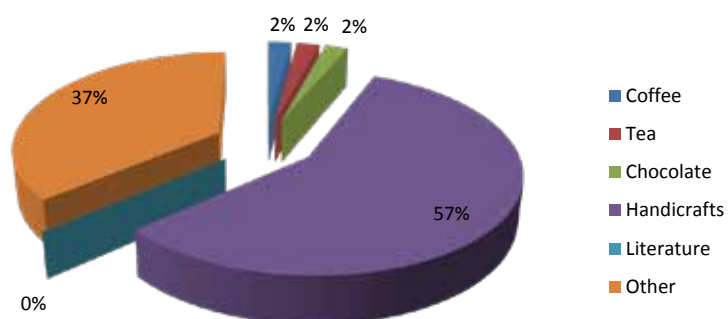


Figure 3.28: Product category of sales by Worldshop members



3.4. (INTERNATIONAL) NETWORK

Figure 3.29: Number of members of WFTO

Year	2007	2008	2009
Number of members	325	415	445

Source: WFTO Annual Report 2007, 2008, 2009

3.5. CONSUMERS AND IMPORTERS

Figure 3.30: Income data - Origin of income of all importers

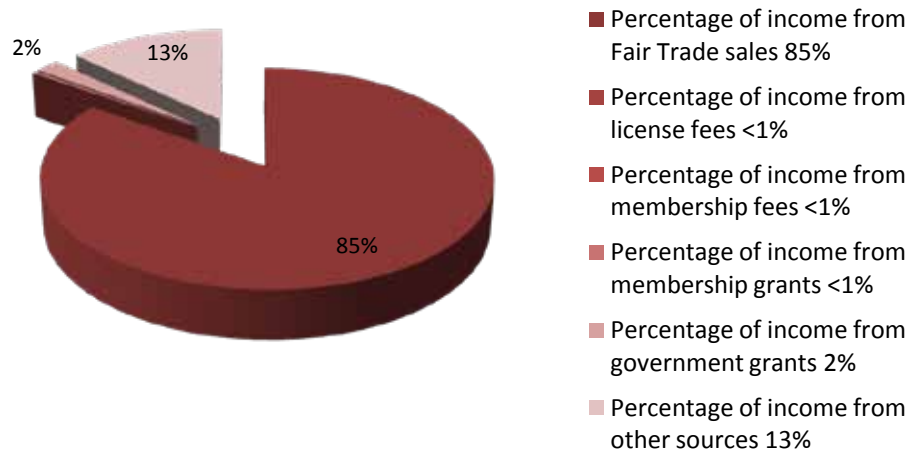


Figure 3.31: Sales data - Importers' net turnover and retail value in US\$

	USA	New-Zealand	Australia	Australia	Spain	Sweden	Total
Net turnover (incl. sales to other FT wholesalers)	\$23.406.000	\$6.453.128	\$961.906	\$11.656.400	\$10.379.431	\$ 157.986	\$961.906
Net turnover (excl. sales to other FT wholesalers)	\$23.406.000	N/A	\$882.845	\$11.605.720	\$ 9.384.222	\$ 157.986	\$882.845
Retail value (excl. sales to other FT wholesalers)	\$33.718.000	\$16.707.962	\$1.013.600	\$11.656.40	\$10.223.638	\$ 347.569	\$1.013.600

Figure 3.32: Outlet data - division among the types of shops

Type of shop	Number of outlets	Percentage
Own shops	94	5%
Franchise shops	80	4%
Worldshops or other Fair Trade shops	235	12%
Other groups	378	20%
Voluntary representatives	0	0%
Institutional markets	82	4%
Business to business	397	21%
Individual commercial stores	635	33%
Chains of commercial stores	14	1%
Mail order catalogues	3	>1%
Online shops / e-commerce	5	>1%
Total number of outlets	1923	

Figure 3.33: Outlet data - relative share in net turnover per type of shop

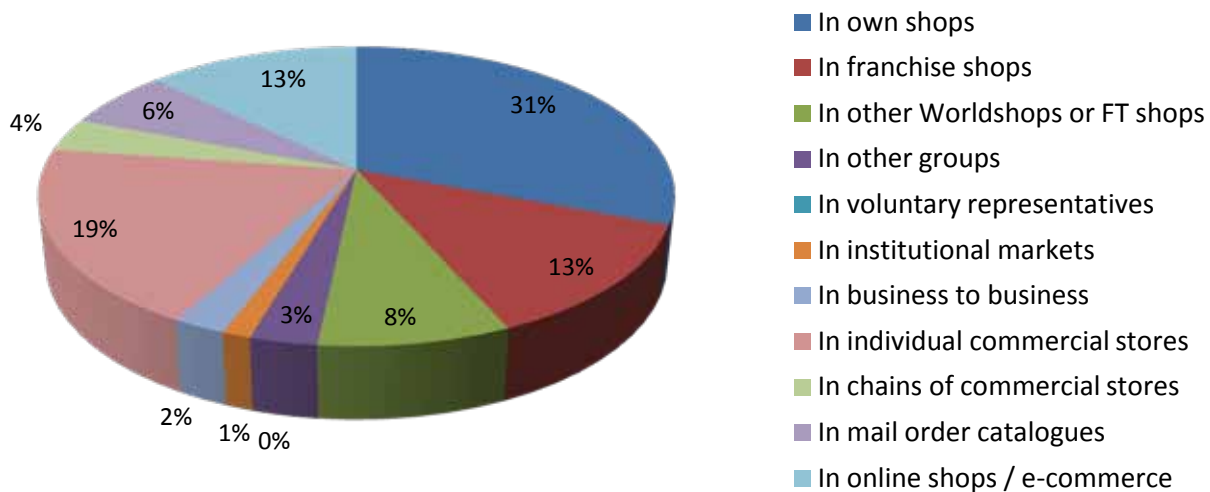


Figure 3.34: Product data - relative share in food and non-food products

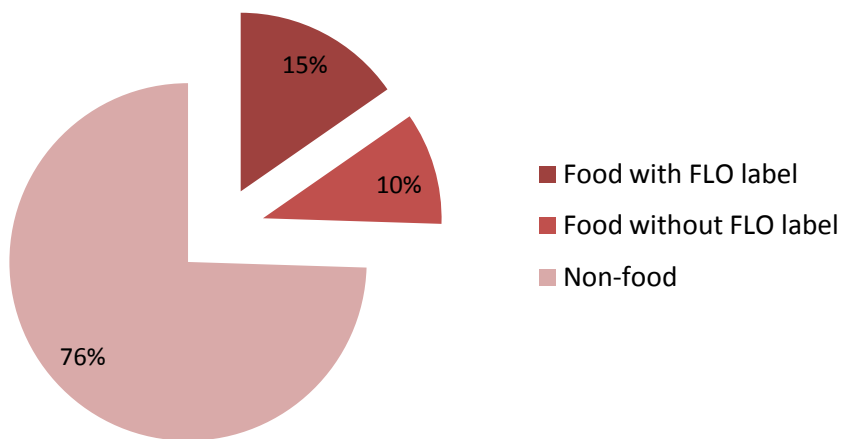


Figure 3.35: Product data - relative share per type of product

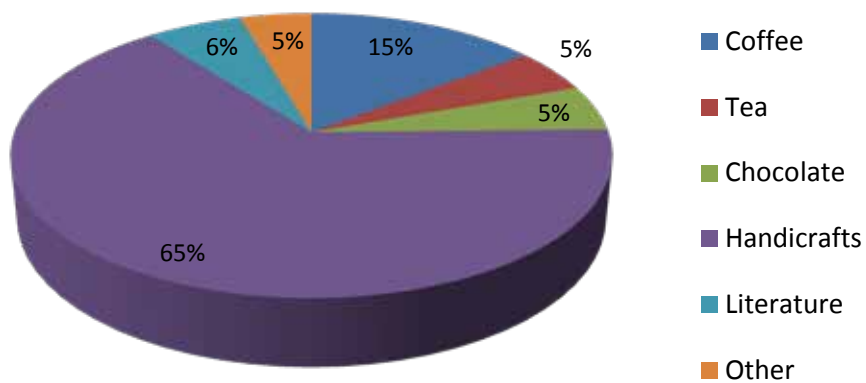


Figure 3.36: Sourcing data - relative share of producer groups sorted per region of origin

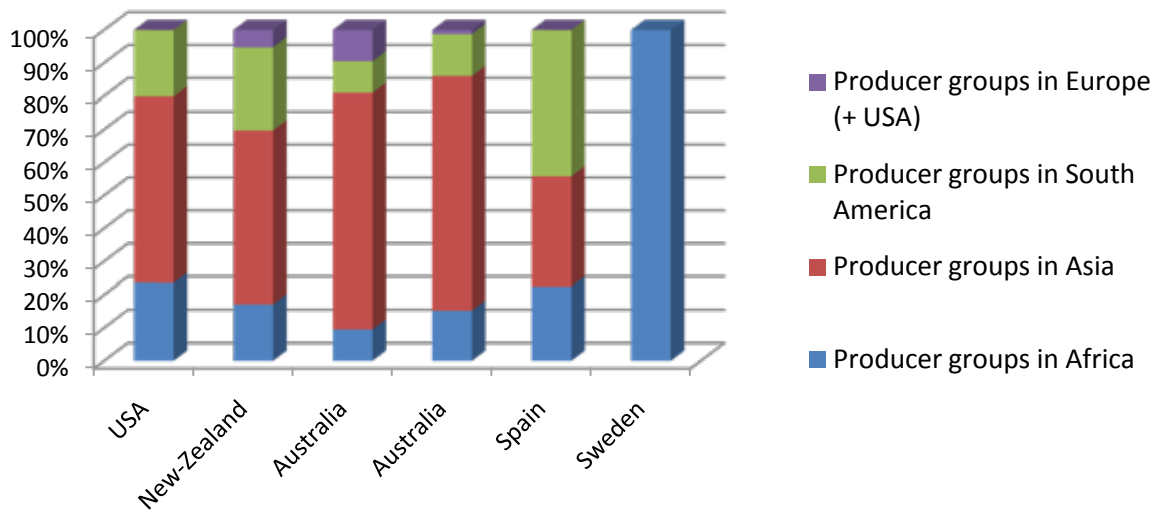
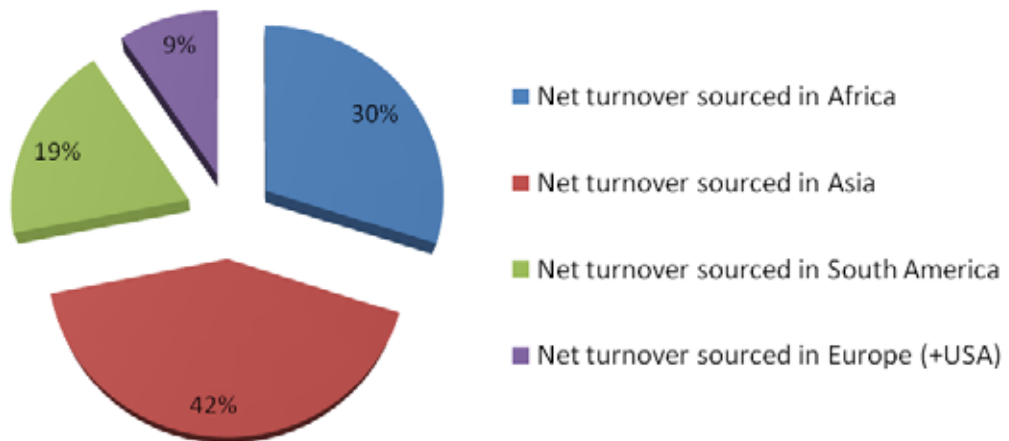


Figure 3.37: Sourcing data - relative share of net turnover sorted per region of origin



4. THE IMPACT OF FAIR TRADE

4.1. IMPACT IN PRODUCING COUNTRIES

Africa

Figure 4.1a: Total number of people employed in absolute numbers

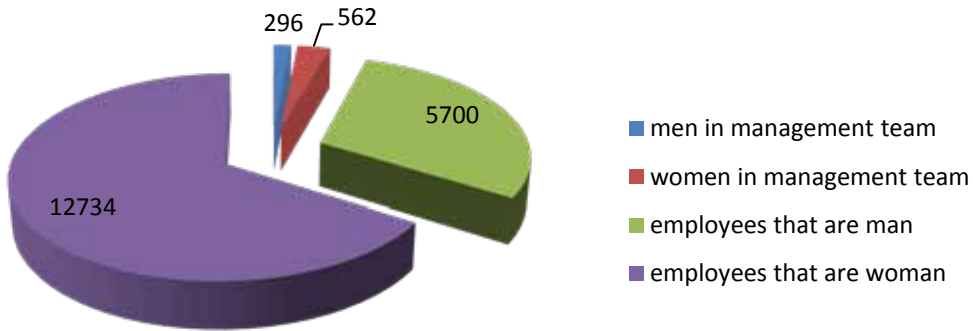


Figure 4.1b: Total number of people employed in percentages

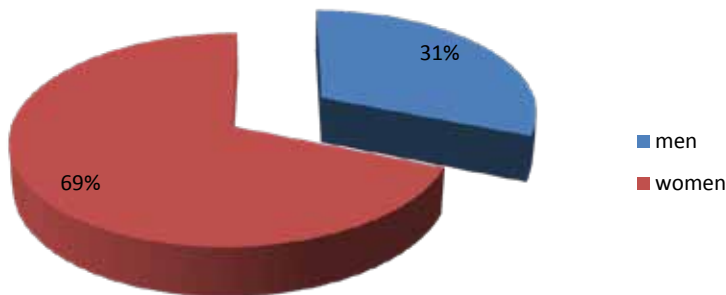


Figure 4.2: Percentage men and women in management team

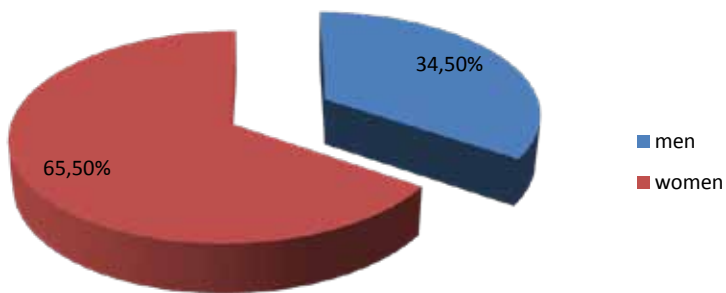


Figure 4.3: Number of companies and their total number of employees

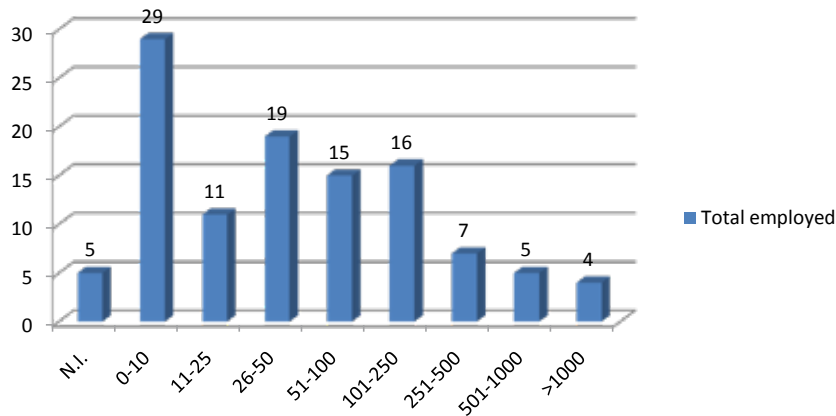


Figure 4.4: Number of companies with % of women

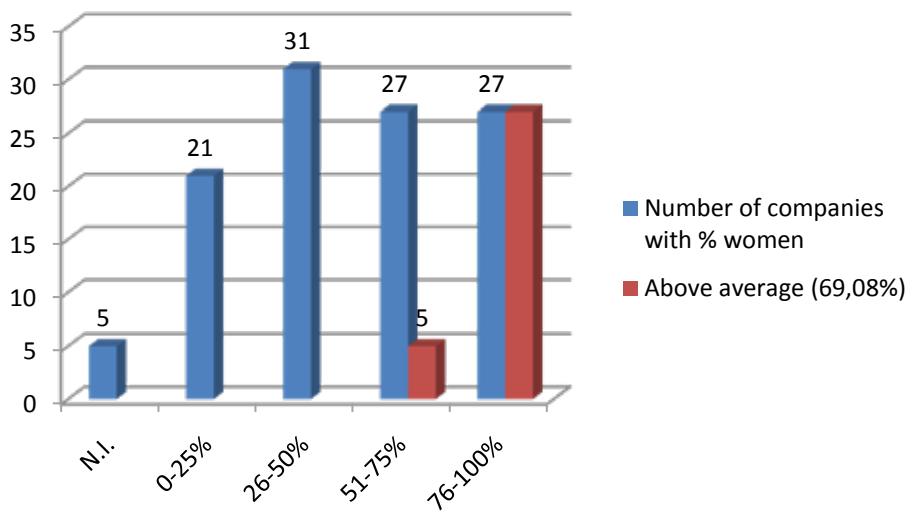


Figure 4.5: Number of companies with % of women in the management team

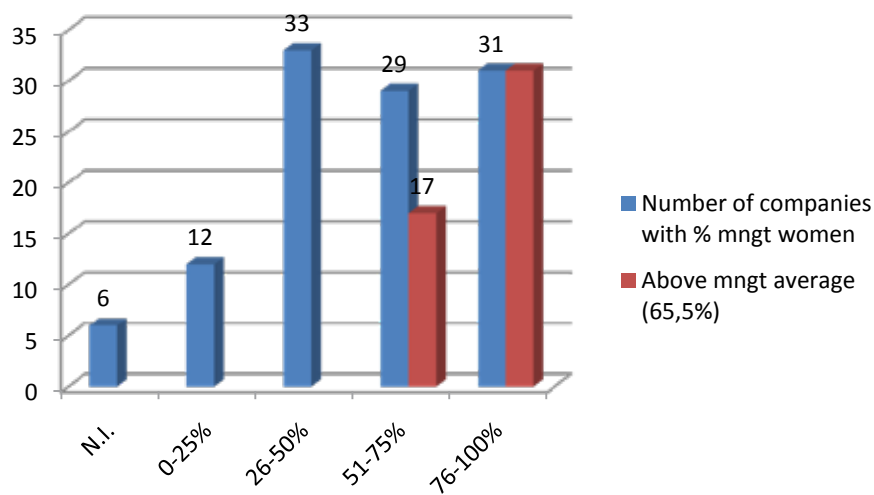


Figure 4.6: Use of target groups

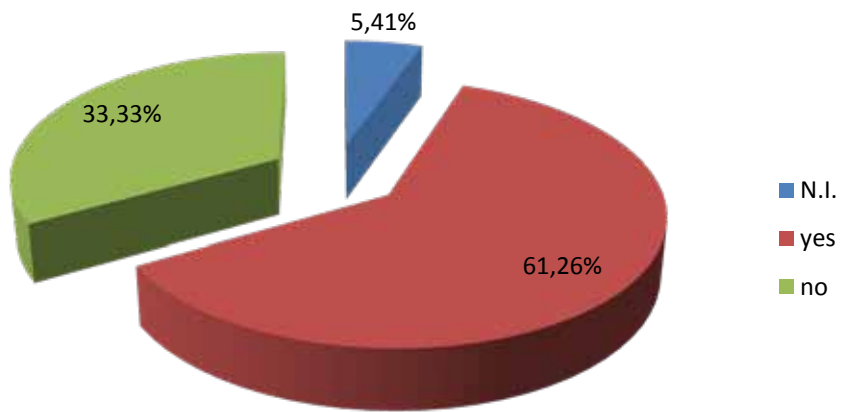


Figure 4.7: Equal pay levels for men and women

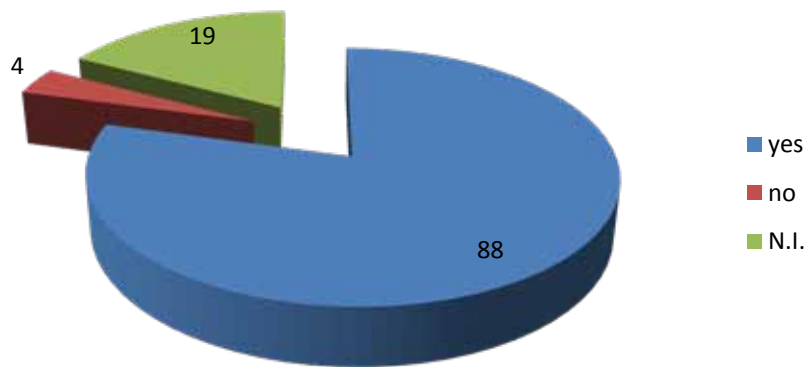


Figure 4.8: Number of companies that equal the number of employees and their method of pay with total number of employees

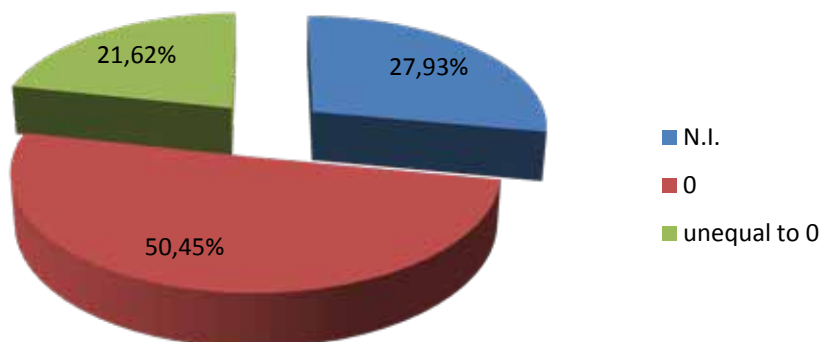


Figure 4.9 Payment method

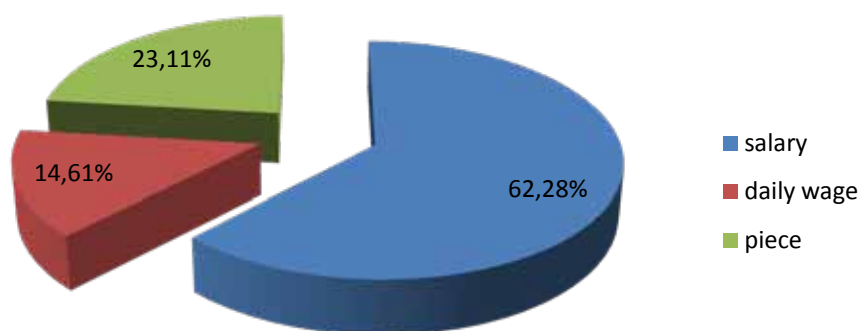


Figure 4.10: Importance of social and health issues

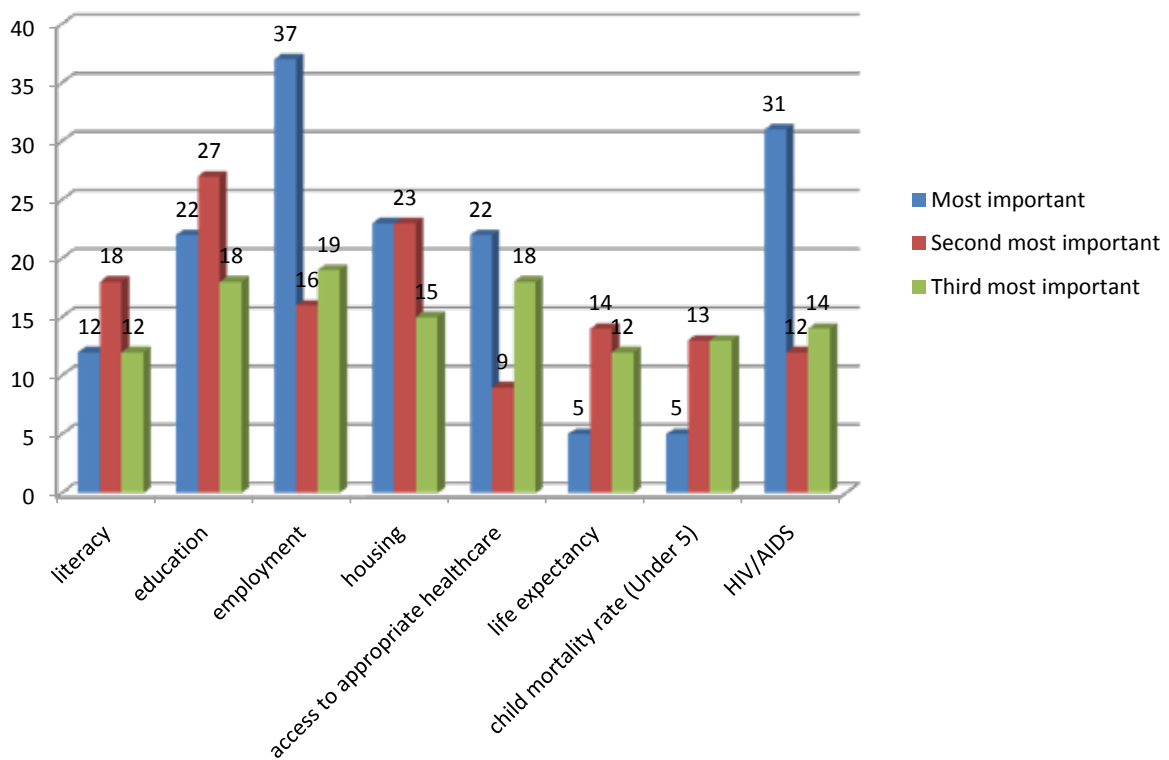


Figure 4.11: Most important issues

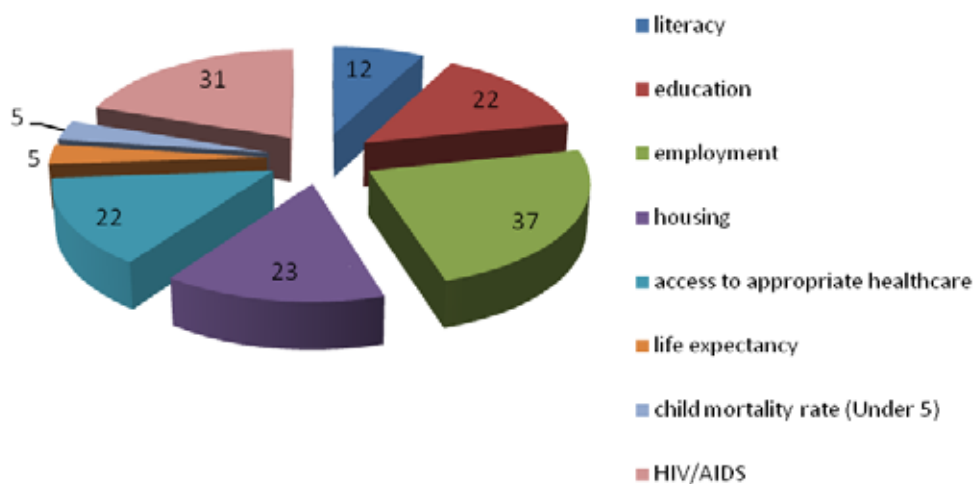


Figure 4.12: Second most important issues

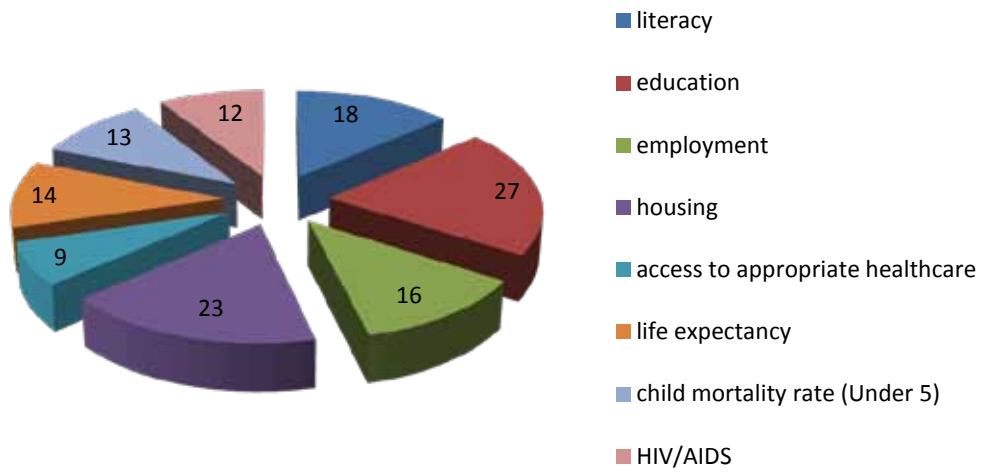


Figure 4.13: Third most important issues

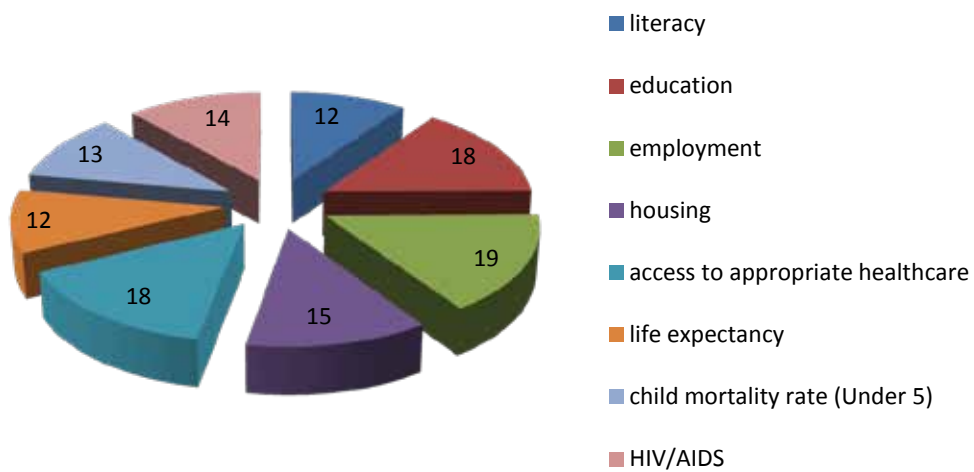


Figure 4.14: Overall importance of issues

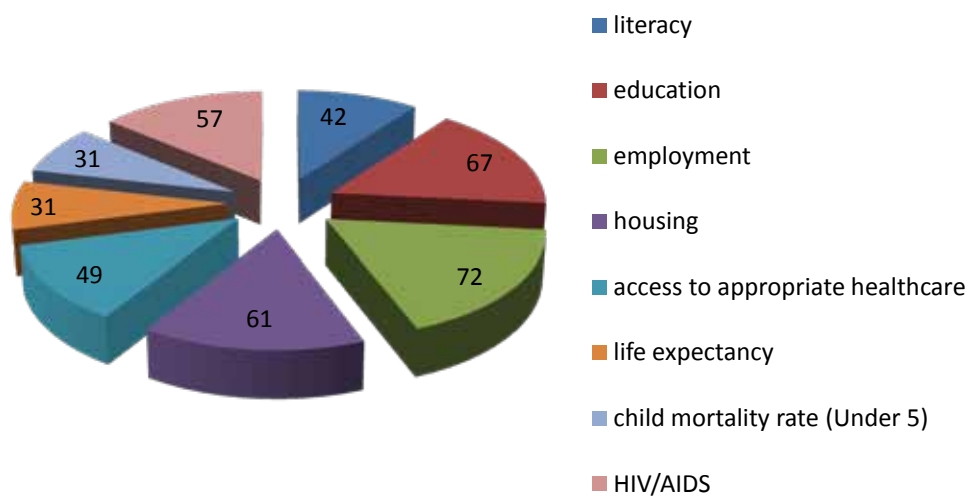
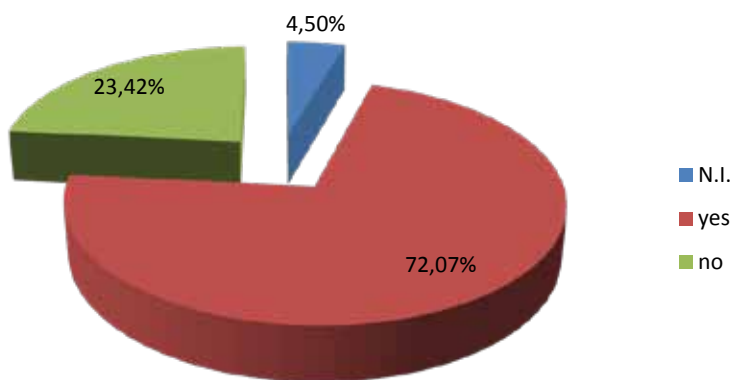


Figure 4.15: Benefits offered



Asia

Figure 4.16a: Total number of employees in absolute numbers

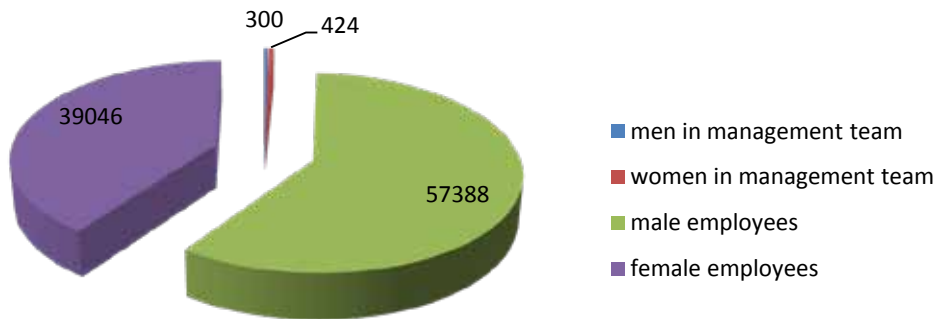


Figure 4.16b: Total number of employees in percentages

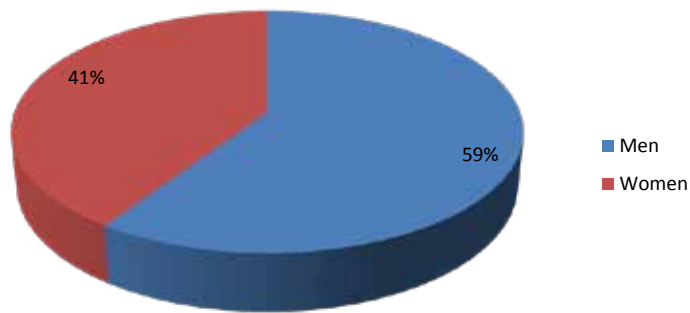


Figure 4.17: Gender division in the management team

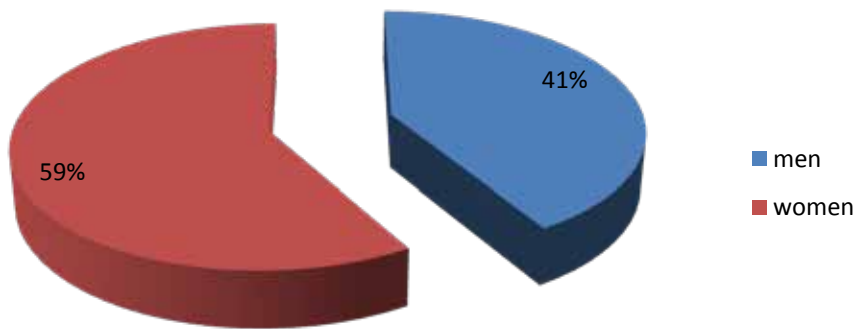


Figure 4.18: Number of companies with employees within a certain range

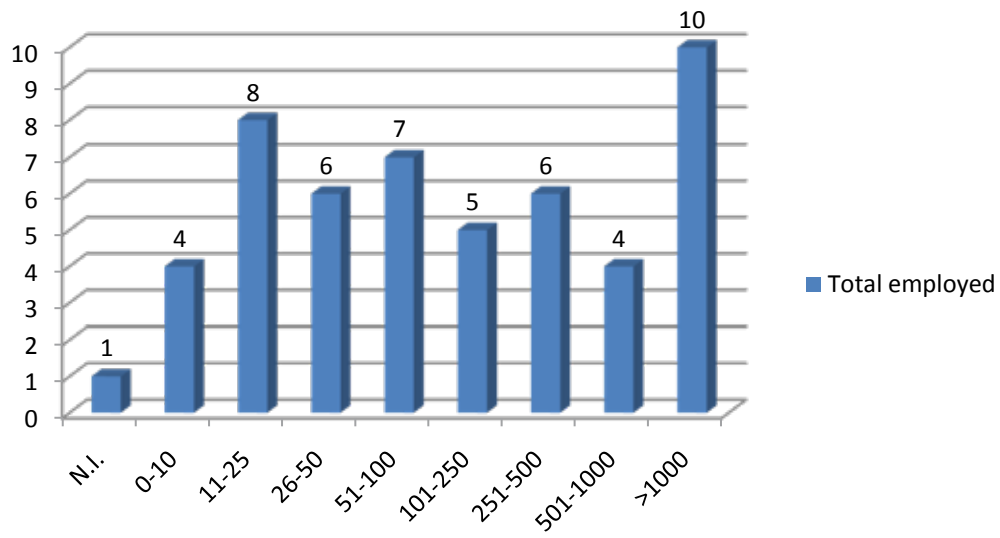


Figure 4.19: Number of companies and their percentage of women employed

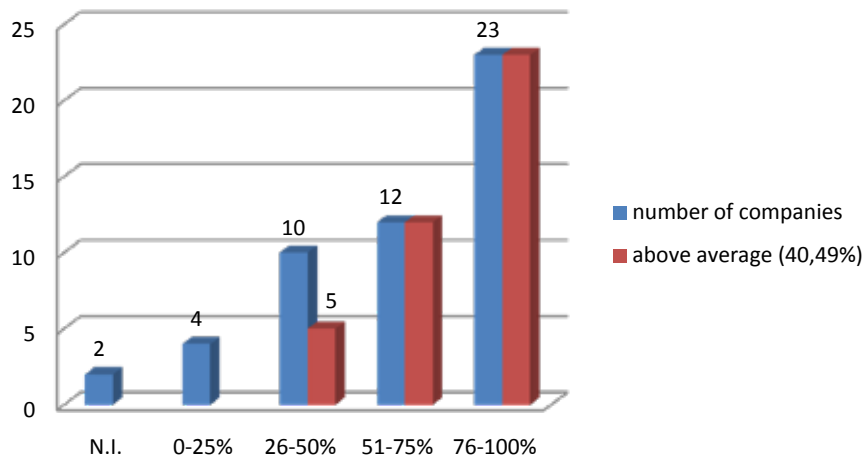


Figure 4.20: Number of companies and their percentage of women in the management team

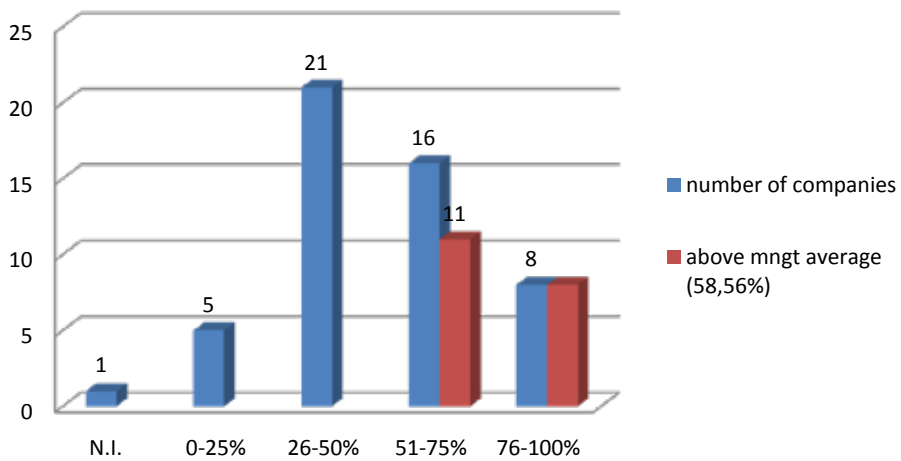


Figure 4.21: Equal pay levels for men and women

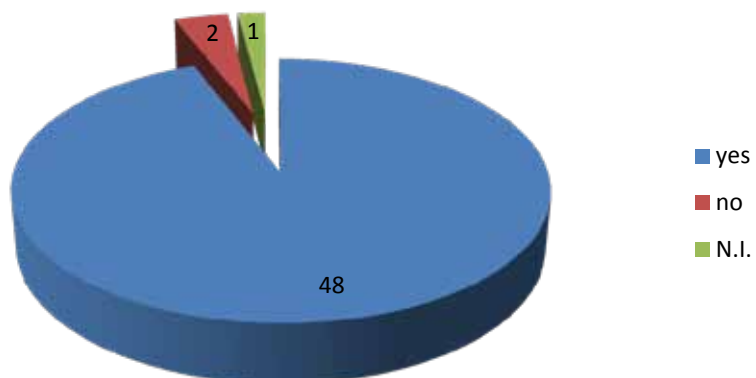


Figure 4.22: Number of companies that equal the "number of employees and their payment method" with "total number of employees"

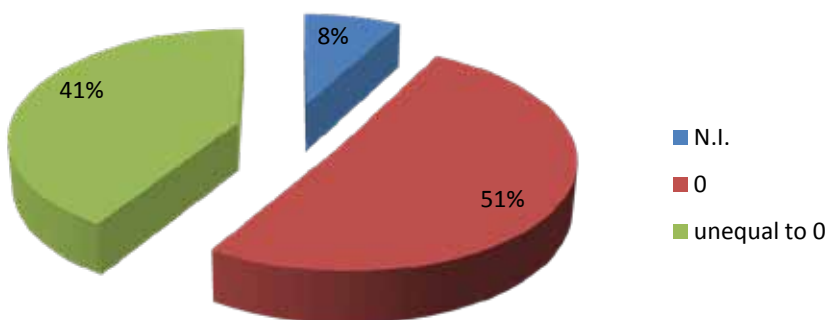
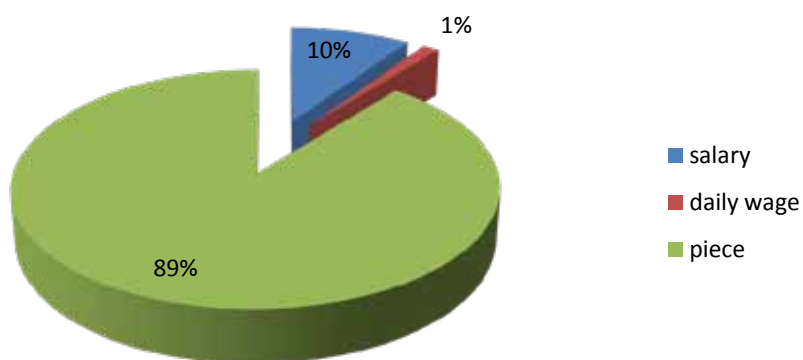


Figure 4.23: Payment method



South America

Figure 4.24a: Total number of employees in absolute numbers

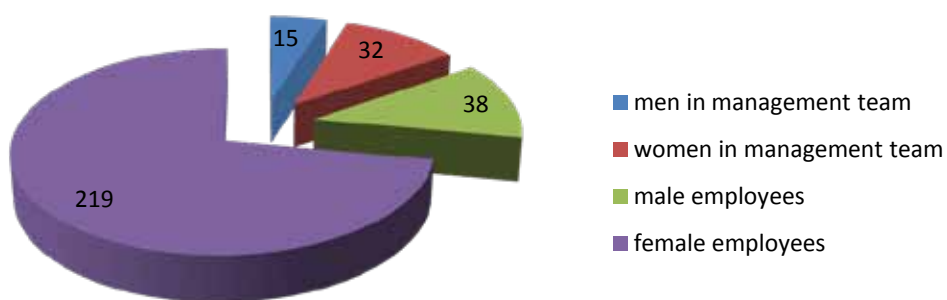


Figure 4.24b: Number of employees in percentages

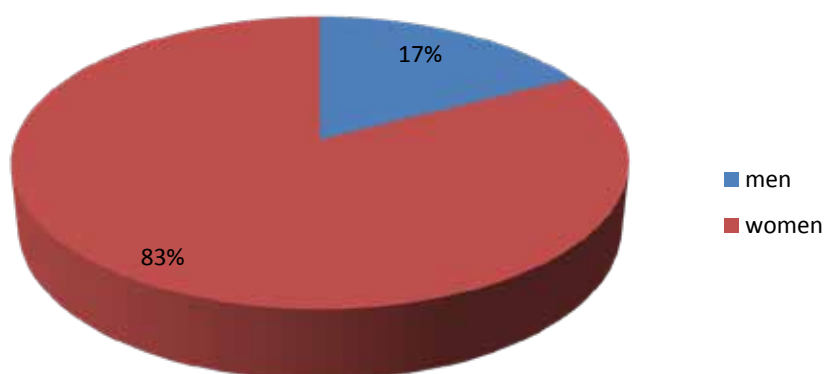


Figure 4.25: Gender division in management team

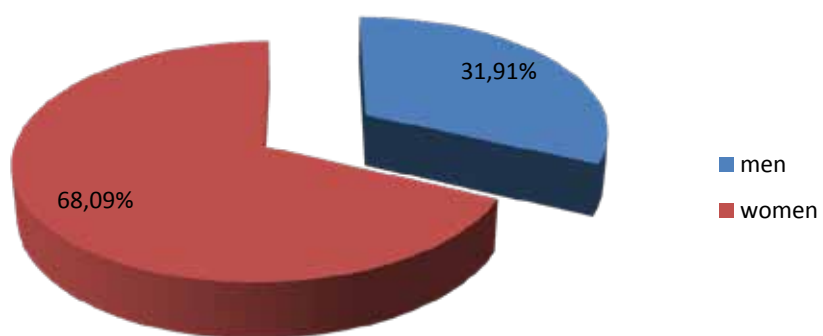


Figure 4.26: Number of companies with the number of employees within a range

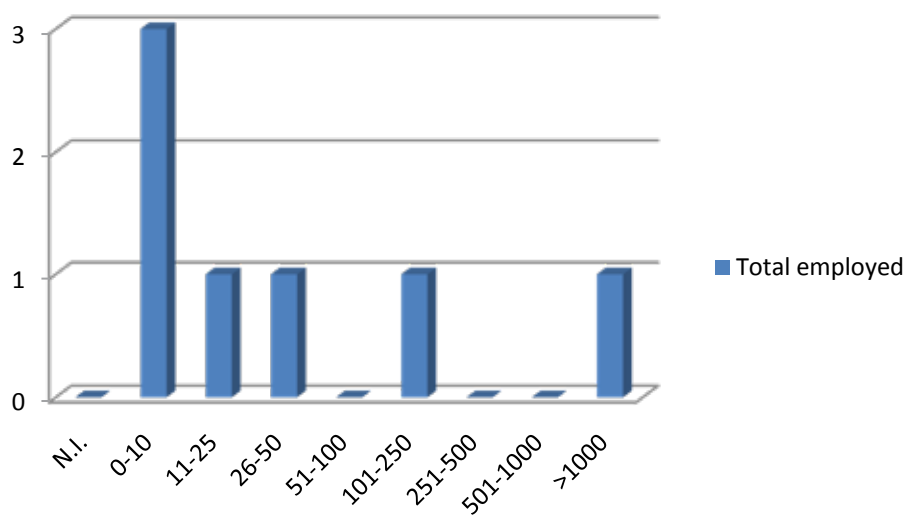


Figure 4.27: Number of companies and their percentage of women employed

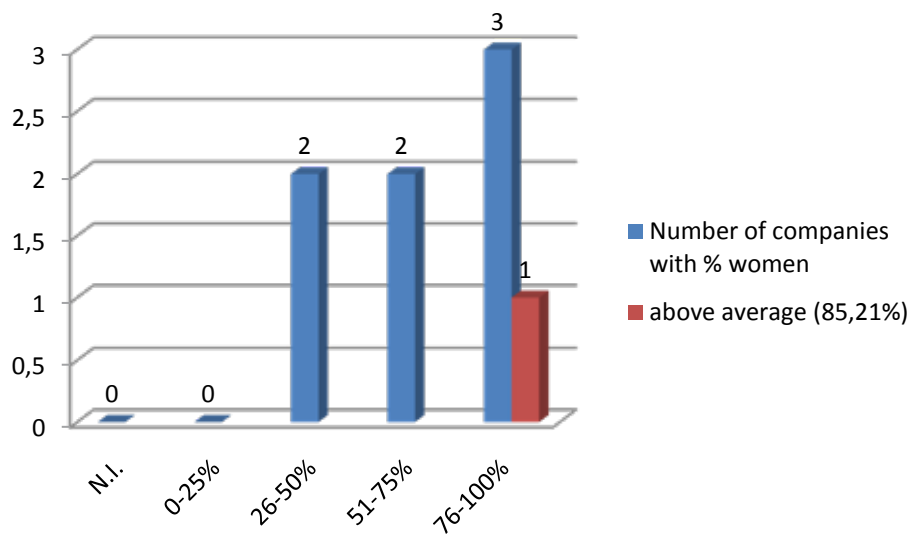


Figure 4.28: Number of companies with the percentage of women in the management team

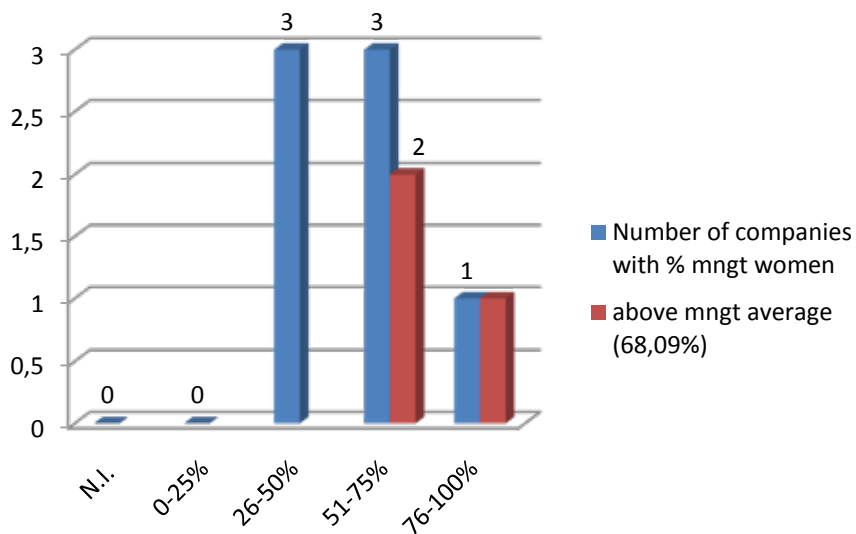


Figure 4.29: Equal pay levels

Equal pay levels?	
Yes	7
No	0
N.I.	0

Figure 4.30: Payment method

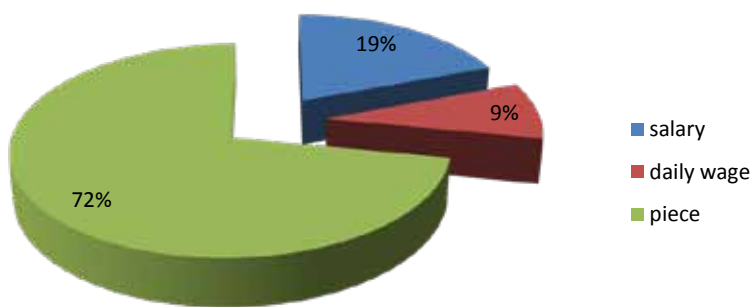
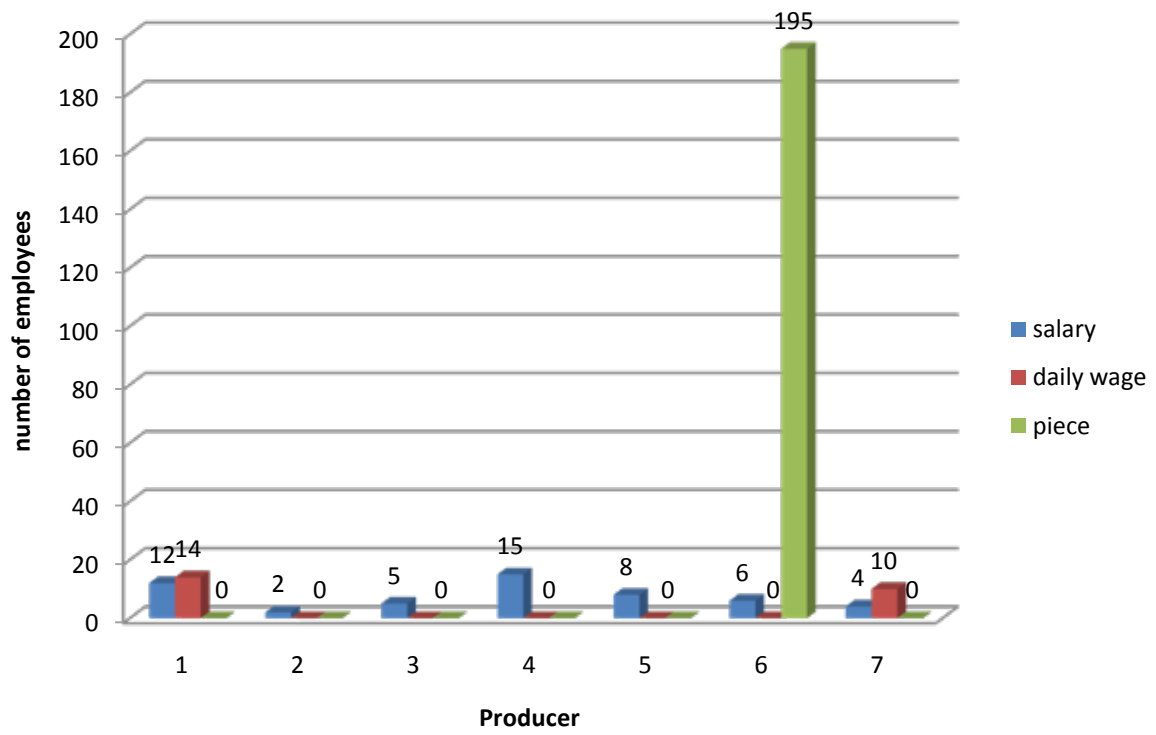


Figure 4.31: Payment method per producer





SECTION 3

Annexes



1. QUESTIONNAIRE PRODUCERS AFRICA



ORGANISATIONAL INFORMATION

Name of organisation: _____

Town and Country: _____

Website: _____

Type of organisation (Can tick more than 1 box):

Primary Secondary Support

TRADE INFORMATION

a) What products do you produce? Fill in the following figure:

PRODUCT CATEGORY	PRODUCT TYPE
Footwear i.e sandals	
Furniture i.e. figures	
Garments i.e. t-shirts	
Gifts & Decorative Items i.e. candles	
Home Textiles i.e. cushions	
Household Utensils i.e. kitchenware	
Jewellery i.e. necklaces	
Leather Goods i.e. bags	
Sports and Camping Goods i.e. outerwear	
Stationary, Office and School Supplies i.e. pencil cases	

b) Please fill in the figure below which shows the markets where you sell your products. (Please list the countries)

Market	Country	Percentage of overall sales	Product Category _(see figure above)
Local			
East Africa			
Regional – other African countries			
Europe			
Latin America			
North America (USA, Canada)			
Asia			
Australia			
New Zealand			

c) What were your approximate sales for the 2009/2010 financial year?

Per Annum total sales US \$	Local Sales (Tick as appropriate)	Export Sales (Tick as appropriate)
Under 1000 US\$		
1000-2500 US\$		
2500-5000 US\$		
5000-10,000 US\$		
10,000-25,000 US\$		
25,000-40,000US\$		
40,000-70,000 US\$		
70,000-100,000 US\$		
100,000-250,000 US \$		
Over 250,000 US\$		

Who are your main customers? Please provide approximate percentage of sales.

Local Market	Percentage (approx)	Export Market	Percentage (approx)
Wholesaler		Wholesaler	
Retail		Retail	
Consumer		Consumer	

2. ACTIVE TRADING MARKETS

a) What percentage of your trading partners are in the following markets?

Fair Trade ___% Conventional ___%

b) Do you use the WFTO logo on promotional material, or a Fairtrade label on your products?

Yes No No, but use another logo State which one _____

c) If yes, do you find Fair Trade standards easy to comply with? Give a reason for your answer.

Yes No

d) If not, why do you not use the WFTO logo? Please tick.

- | | |
|---|---|
| <input type="checkbox"/> I am not FT certified. | <input type="checkbox"/> I do not know how. |
| <input type="checkbox"/> It is too expensive to get the logo. | <input type="checkbox"/> It has not been necessary for my business. |
| <input type="checkbox"/> It will make no difference. | <input type="checkbox"/> Other (Please state) _____ |

3. FAIR TRADE BENEFICIARIES

Economic

a) How many employees do you have: Please fill in the figure below:

	Male	Female
Contract/Permanent		
Casual (Artisans)		

b) How many males/females are in management team?

Men ___ Women ___

c) Are females/males paid the same rate at all levels in the business? (e.g. does a female carver get the same amount as a male carver?)

Yes No

d) How many of your employees are paid by the following way:

Salary ___ Daily wage ___ Per piece ___

e) How do you establish prices paid to artisans within your organisation? Please tick.

- This is discussed and agreed between the producer and myself.
- I establish a fair price and pay accordingly.
- I get information from other organisations and take an average to pay.
- I pay what the artisans ask me to pay.
- Other(Please state): _____

f) Do you receive a down payment from your buyers?

Yes No Only on request

g) Does your organisation receive funding from external sources?

- Churches Community funding projects
- International Donor Society Banks
- Customers Other (Please state) _____

Social

a) Do you specifically target a particular group to work with? How many of your employees are from the following groups?

Yes No

Women ___ Children ___ Elderly ___
 Refugees ___ Men ___ Other: (Please state) ___
 People living with disabilities ___

b) Do you provide any benefits or additional support to your employees/workers? Please tick.

Yes No

If yes please state which ones.

- Education/ Training Medical
- Food Community projects
- Kindergarten Nursery Other (Please state) _____

c) How many dependents does an employee/artisan have on average in your region?

d) On a scale of 1-3 please indicate which social and health issues you consider to be the biggest problems in your area. (1 being the largest issue and 3 being the smallest issue)

- | | |
|---|--|
| <input type="checkbox"/> Literacy | <input type="checkbox"/> Education |
| <input type="checkbox"/> Employment | <input type="checkbox"/> Housing |
| <input type="checkbox"/> Access to appropriate healthcare | <input type="checkbox"/> Life expectancy |
| <input type="checkbox"/> Child mortality rate (Under 5) | <input type="checkbox"/> HIV/AIDS |

Environmental

a) Inputs:

What are your production raw materials?

- | | | |
|--|------------------------------------|---------------------------------------|
| <input type="checkbox"/> Leather | <input type="checkbox"/> Wood | <input type="checkbox"/> Glass |
| <input type="checkbox"/> Cotton | <input type="checkbox"/> Soapstone | <input type="checkbox"/> Other stones |
| <input type="checkbox"/> Paper | <input type="checkbox"/> Metals | <input type="checkbox"/> Bones |
| <input type="checkbox"/> Natural fiber | <input type="checkbox"/> Other | |

b) From where do you source them?

c) Are your products (partially) made of recycled materials or waste materials?

- Yes ____% No

c) Are you aware of the environmental standards that apply to the materials?

- Yes No

d) Do you apply the environmental standards?

- Yes No

e) Output

What type of waste is generated by /from your production process? i.e. empty paint tins, glue containers, metal cuttings etc.?

Which of the material is:

- separated and collected.
- thrown away and collected by town regardless of material.
- burned (please tick) by you by local authority
- recycled e.g. empty bucket are cleaned and used, containers are refilled etc

f) Are you aware of legal requirements for your product material for the foreign markets?

- Yes No

Filled by:

Tel.:

QUESTIONNAIRE PRODUCERS ASIA AND SOUTH AMERICA

Contact person (This questionnaire was completed by)	
Date	
Mail of the contact person	

1. Organisation

Organisation	
Web page	

2. Sales volume

2.1

What were your total sales for the financial year 2009/2010 in dollars

USD ____ (Gross value), USD ____ (Net values)

2.2

What were your approximate sales for the financial year 2009/2010?

Market	Country	Participation in the total sales
Direct sale, own business		%
Local		%
The East of Africa		%
Regional – other African countries		%
Europe		%
Latin America		%
North America (USA, Canada)		%
Asia		%
Australia		%
New Zealand		%

Total sales per year US \$ o	Local sales (Mark the most appropriate option)	Exportation sales (Mark the most appropriate option)
Less than 1000 US\$		
1000-2500 US\$		
2500-5000 US\$		
5000-10,000 US\$		
10,000-25,000 US\$		
25,000-40,000US\$		
40,000-70,000 US\$		
70,000-100,000 US\$		
100,000-250,000 US \$		
More than 250,000 US\$		

4. Work

How many workers do you have? Please complete it in the figure below:

	Male	Female
By contract/ permanent		
Casual (Artisans)		

How many men and women are in the administration team?

Men ____

Women ____

Do women receive the same wage as men in all the Business level? (Example. Does a shaper woman is paid as well as a shaper male? Or from the administration?)

Yes

No

How many workers (administration) are paid in this way?

Salary ____

Daily wage ____

Per piece ____

How do you establish the price to be paid?

This is discussed and agreed between the producer and I

I establish a fair price and pay according to that.

I obtain information from other organisations and get an average.

We pay what artisans establish as a fair price

Other:

Does your client offer you a pay by advance?

Yes, they always pay% of an order by advance

Only in request

Never

Does your organisation receive founding from external sources?

Churches

Communitarian financial projects

International donors

Banks

Your clients

Other (project)

4. Standards of Fair Trade

Do you use the WFTO logo in promotion materials?

Yes

No

Do you use the Fairtrade label in your products? Please mark it

Yes

No

If your answer is yes, do you find easy to accomplish all the standards of Fair Trade?

- Yes
- No

If your answer is not, why don't you use it?

- I am not certificated by Fairtrade
- I don't know how
- The logo is too expensive
- It is not necessary to our organisation. All our clients are Fair Trade members.
- It wouldn't make any difference
- Other: _____

- Do you use another logo in your product? ECO/BIO
- FLO
- FSC (Forest Stewardship Council-
- Rainforest alliance-
- Utz certified
- Other: _____

5. General view

Can you name the three most important events in the last three years?

- 1 _____
- 2 _____
- 3 _____

Can you identify some important and developed tendencies in the Fair Trade market of your country? Please show details.

Can you name your three challengers/opportunities that you are conducting?

- 1 _____
- 2 _____
- 3 _____

Thank you very much for your time!

ANNEX 2: OVERVIEW OF RETURNED QUESTIONNAIRES

The following figure gives an overview of the types of organisations that have contributed to this study by providing detailed information sent back via questionnaire.

Type		Producers	Associations	Importers	International networks	Total
Region/Country						
Africa	Kenya	24	0	0	0	24
	Cameroon	3	0	0	0	3
	CAR	1	0	0	0	1
	Egypt	2	0	0	0	2
	Ethiopia	3	0	0	0	3
	Ghana	5	0	0	0	5
	Madagascar	1	0	0	0	1
	Mauritius	1	0	0	0	1
	Namibia	1	0	0	0	1
	Nigeria	1	0	0	0	1
	Rwanda	31	0	0	0	31
	South-Africa	11	0	0	0	11
	Swaziland	7	0	0	0	7
	Tanzania	8	0	0	0	8
	Uganda	9	0	0	0	9
	Zimbabwe	2	0	0	0	2
	Malawi	1	0	0	0	1
Total Africa		111	0	0	0	111
Asia	Philippines	6	0	0	0	6
	India	11	0	0	0	11
	Cambodia	1	0	0	0	1
	Bangladesh	10	0	0	0	10
	China	1	0	0	0	1
	Vietnam	2	0	0	0	2
	Hong Kong	2	0	0	0	2
	Sri Lanka	1	0	0	0	1
	Indonesia	5	0	0	0	5
	Thailand	4	0	0	0	4
	Korea	1	0	0	0	1
	Laos	1	0	0	0	1
	Nepal	5	0	0	0	5
	Timor-Leste	1	0	0	0	1
Total Asia		51	0	0	0	51

South-America	Peru	2	0	0	0	2
	Uruguay	1	0	0	0	1
	Bolivia	1	0	0	0	1
	Honduras	1	0	0	0	1
	Chile	1	0	0	0	1
	Brazil	1	0	0	0	1
Total South-America		7	0	0	0	7
Europe	Denmark	0	1	0	0	1
	Netherlands	0	1	0	0	1
	Great-Britain	0	1	0	0	1
	France	0	2	0	0	2
	Sweden	0	1	1	0	2
	Spain	0	0	1	0	1
	Hungary	0	0	0	1	1
Total Europe		0	6	2	1	9
North-America	USA	0	0	1	0	1
Total North-America		0	0	1	0	1
Oceania	Australia	0	0	2	0	2
	New-Zealand	0	0	1	0	1
Total Oceania		0	3	0	3	
Total respondents		169	6	6	1	182

Four different types of organisations were contacted with a separate questionnaire for each.

The abbreviations used stand for

- Prod: producing organisation;
- Imp: importing organisation;
- Asso: Worldshops association;
- Int: international network.

The following figure lists all the organisations that have participated.

Country	Organisation	Type of organisation
	Africa	
Kenya	Beacon of Hope	prod
Kenya	Bombolulu Workshops	prod
Kenya	Crafts Caravan	prod
Kenya	Kazuri 2000 Limited	prod
Kenya	KICK	prod
Kenya	Nyabigena Soapstone	prod
Kenya	Nyankobo Tea Factory	prod
Kenya	Perfection Plus	prod
Kenya	Safari Beads	prod
Kenya	Smolart Group	prod
Kenya	Tabaka Riotoyo Group	prod
Kenya	Teenage Mothers	prod
Kenya	Trinity Jewellery	prod
Kenya	Undugu Fair Trade Limited	prod
Kenya	Monda African Art Ltd	prod
Kenya	Centre for international market access	prod
Kenya	KISAC	prod
Kenya	Iriaini Tea Factory	prod
Kenya	Mace Foods	prod
Kenya	Machakos cooperative union	prod
Kenya	Rozzika Garden Centre Ltd	prod
Kenya	Sanabora Design House	prod
Kenya	Tabaka Artisan youth group	prod
Kenya	Tabaka Classic carvers	prod
Cameroon	Bamenda Handicraft	prod
Cameroon	Modern Art Consultants	prod
Cameroon	Presbyterian Handcrafts	prod
Central African Republic	Toumba Yere	prod
Egypt	Fair Trade Egypt	prod
Egypt	Jirmit Papyrus Group	prod
Ethiopia	Sabahar Private Limited Company	prod
Ethiopia	Hilina Enriched Foods Processing	prod
Ethiopia	Muya Ethiopia	prod
Ghana	Havilak Company Ltd	prod
Ghana	Eshop Africa Ltd	prod
Ghana	Fair Trade Producer Society	prod
Ghana	Global Mamas	prod
Ghana	TradeAID integrated	prod
Madagascar	Ravinal Sarl	prod
Mauritius	Craft Aid Mauritius	prod
Namibia	Ohandje Artist Co-operative Ltd (OAC)	prod

Nigeria	Alternative Trade (ATNN)	prod
Rwanda	AGASARO	prod
Rwanda	BURANGA Cooperative	prod
Rwanda	Cards From Africa	prod
Rwanda	COPAF	prod
Rwanda	COPARWA	prod
Rwanda	COPROVIBA	prod
Rwanda	Jyamberemutegarugori Kigali	prod
Rwanda	KOHUM	prod
Rwanda	Umutako-Cotascop	prod
Rwanda	Abakundagukora	prod
Rwanda	Coprovepa	prod
Rwanda	Ihumure	prod
Rwanda	Inkingi Y'Umuco	prod
Rwanda	Iwacu	prod
Rwanda	Jyamberemutegarugori	prod
Rwanda	Koaki	prod
Rwanda	Twisungane	prod
Rwanda	Uregero	prod
Rwanda	MAC company	prod
Rwanda	Cotar	prod
Rwanda	Abaharanirumuco	prod
Rwanda	Copaba	prod
Rwanda	Cotraf GF	prod
Rwanda	Duhuzumunozo	prod
Rwanda	Ineza twesehamwe	prod
Rwanda	Izerukore Witezembere	prod
Rwanda	Kiaka	prod
Rwanda	Poterie Munzanga Abadahigwa	prod
Rwanda	Poupetique Ituze	prod
Rwanda	Umurava	prod
Rwanda	Beninganzo	prod
South Africa	African Home	prod
South Africa	Amwa Designs	prod
South Africa	Hooligan Kids	prod
South Africa	Jabulani Jewellery	prod
South Africa	Khoisant Trading	prod
South Africa	Streetwires Collective	prod
South Africa	Ukuva Africa	prod
South Africa	uSisi Designs	prod
South Africa	Umtha Jewellery	prod
South Africa	Phyto Trade Africa	prod
South Africa	Turqle Trading	prod
Swaziland	Baobab Batik	prod
Swaziland	Eswatini Swazi Kitchen	prod

Swaziland	Gone Rural	prod
Swaziland	Ngwenya Glass Pty Ltd	prod
Swaziland	Rosecraft Ltd	prod
Swaziland	Swazi Indigenous Products	prod
Swaziland	Swazi Candles	prod
Tanzania	CRACODE CO LTD	prod
Tanzania	GOIG Handicraft Centre	prod
Tanzania	Kagera Cooperative	prod
Tanzania	Kwanza Collection Ltd	prod
Tanzania	Marvellous Flotea	prod
Tanzania	Kitaponda Enterprise	prod
Tanzania	Zetu Art	prod
Tanzania	Footloose Tanzania Ltd.	prod
Uganda	Chrisams Designs Ltd	prod
Uganda	East Afric Designs	prod
Uganda	Fruits of the Nile	prod
Uganda	Gourmet Gardens	prod
Uganda	NAWOU	prod
Uganda	Papula Paper	prod
Uganda	Uganda Crafts	prod
Uganda	Mpanga Growers Tea Factory	prod
Uganda	Marie-Sar Agencies Ltd	prod
Zimbabwe	Handmade Papers of Africa	prod
Zimbabwe	Yakanaka Design	prod
Malawi	Rab Processors Ltd	prod
Asia		
Philippines	Advocate of Philippine Fair Trade, Inc. (APFTI)	prod
Indonesia	Apikri Cooperative	prod
Cambodia	Artisans' Association of Cambodia (AAC)	prod
India	Baladarshan	prod
Bangladesh	Noakhali Raral Development Society (NRDS)	prod
Bangladesh	Thanapara Swallows Development Society	prod
Philippines	Bote Central, inc.	prod
Bangladesh	Brac-Aarong	prod
Philippines	CCAP Fairtrade for Development, Inc.	prod
China	Yunnan Danyun Fair Trade Development CO Ltd	prod
Vietnam	Craftbeauty Fairtrade	prod
India	CRC Exports Private Limited	prod
India	Creative Handicrafts	prod
Hong Kong	Crossroads Foundation Global Handicrafts	prod
Bangladesh	Development Wheel (DEW)	prod
India	Equifigure marketing association	prod
India	ESAF (BDS & Producer Company)	prod
Sri Lanka	Golden Palm Crafts (Pvt) Ltd	prod
Thailand	Greenet Cooperative	prod

Bangladesh	HEED Handicrafts	prod
Hong Kong	Hong Kong Fair Trade Power	prod
India	Mereville Trust	prod
India	Pushpanjali (Agra - India)	prod
India	SIPA - Federation of South India Producer Associations	prod
India	Tara Projects	prod
India	Voluntary Health Association of India	prod
Indonesia	PT Pekerti Nusantara	prod
Indonesia	Threads of Life	prod
Thailand	Khom Loy Development Foundation (trading as Izara Arts)	prod
Korea	Motif Ltd	prod
Laos	Mai Savanh Lao	prod
Vietnam	Mai Vietnamese Handicrafts	prod
Indonesia	Mitra Bali Fair Trade	prod
Nepal	Nepal Leprosy Trust	prod
Nepal	Manushi	prod
Nepal	SEDS	prod
Philippines	Salay Handmade Paper Industries, Inc	prod
Nepal	Sana Hastakala	prod
Thailand	ThaiCraft Fair Trade Company Limited	prod
Thailand	Thai Tribal Crafts Fair Trade Co. Ltd.	prod
Timor-Leste	Fundasaun Alola	prod
Bangladesh	Artisan Hut	prod
Indonesia	Arum Dalu Mekar	prod
Philippines	Barcelona Multipurpose Cooperative	prod
Bangladesh	CORR - The Jute Works	prod
Bangladesh	Dhaka Handicrafts Ltd	prod
Nepal	Kumbeshwar Technical School	prod
Philippines	Social Action Foundation for Rural and Urban Development, Inc. (SAFRUDI)	prod
Bangladesh	Training, Assistance and Rural Advancement Non Government Organisation (TARANGO)	prod
India	Teddy Exports	prod
Bangladesh	Usha Handicrafts	prod
	South America	
Peru	Minka Fair Trade	prod
Uruguay	Ses Export SRL	prod
Bolivia	Ayni Bolivia	prod
Peru	Intercrafts peru sac	prod
Honduras	Fundación COPADE Honduras	prod
Chile	Fundación Chol-Chol	prod
Brazil	Associação Mundareu	prod

	Europe	
Denmark	Fair Trade Denmark	asso
France	Plate-Forme pour le Commerce Equifigure	asso
France	Fédération Artisans du Monde	asso
Great-Brittain	British Association of Fair Trade Shops (BAFTS)	asso
Netherlands	Dutch Association of Worldshops	asso
Spain	Intermon Oxfam	imp
Sweden	The Swedish Worldshops' Association	asso
Sweden	La Maison Afrique Fair Trade AB	imp
	USA	
USA	Ten Thousand Villages	imp
	Pacific	
New Zealand	Trade Aid Importers Ltd	imp
Australia	New Internationalist publications P/L	imp
Australia	Oxfam Australia Trading	imp

ANNEX 3: RESPONSE TO TRENDS AND DEVELOPMENTS

Important Trends and Developments

All producers except nr. 1-12, 27, 34, 62, 65 and 70 filled out this part of the questionnaire

- 13
- Launching of our very own Philippine Fair Trade Label
- 14
- Economic situation and business climate
 - The changing of market level from low to middle and middle to higher customers
 - Regulation and decision as an interest of neo liberalism and socialist and poor people concerns
- 15
- AAC's members learn that being a member of AAC by working towards fair trade principles help them not only gain reputation but also help them to increase sales.
 - There is a potential of promoting fair trade principles in Cambodia as many organisations involve with handicraft and food are interested and they see fair trade can be a mean for their organisation recognised by international community. So there must be a concrete program or event (Apart from World Fair Trade Day) be properly planned and implemented at the national level, not only say.... because in order to e.g. provide fair trade training twice a year;
 - Fair trade bazaar; conduct needs assessment and help them to develop action plan to achieve fair trade principles. So far there is very limited activities for Cambodia at the national level from WFTO and WFTO Asia.
- 16
- We have seen the emergence a lot of shops, stores, boutiques selling Fair Trade products, especially in the big cities (New Delhi, Mumbai, Bangalore, Chennai) where a portion of the population is developing more, getting more income.
 - Even small organisations like Varnajalam SPEED Trust attract the interest of the medias. I.e. <http://www.youtube.com/watch?v=axdJjdR1I4M>
 - But moreover, there is indeed a bigger demand for Indian Fair Trade crafts from Non Resident Indians in USA, Australia, UK, etc who understood from abroad that they could support the most disadvantaged people from their own country by distributing especially these products, and contributing to the improvement of the quality.
 - But Fair Trade is still a western concept in a country where 400 millions people struggle for their day-to-day survival, and the majority of the population of this fast developing country is still far to understand the meaning of Fair Trade.
- 17
- Market for fair trade organisations are growing at city level
 - Indigenous and local fashion trends are drawing attraction of consumers
 - Local sales are increasing
- 18
- More local people and Government also came to know about Fair Trade. New buyer from different country is coming to Bangladesh.
 - People are more interested about Natural Product.
 - Establish long term relationship with producer. Fair trade organisations support the structuring of producer and reinforcement their skill. Fair Trade organisation is committed to inform producer to customer trend and preference as well as standard to comply with in order to adapt goods and product to suit the requirement of the specific market.
- 19
- Fair Trade campaign & promotion for local consumer awareness
- 20
- Nakshi kantha-Aarong is playing leading role to revive the traditional embroidery of Bangladesh by the help of rural women
 - Jute-Aarong and some other Fair Trade organisations are trying to regain the fame through developing new designs
 - Grass and leaf
- 21
- CCAP is moving towards Value Chain Analysis Development with technical assistance from an international donor;
 - Development of our own Phil. FT logo and regional Fair Trade shops under the auspices of the WFTO-Phils.
 - Development and strengthening of local market access for CCAP partner producers through a local FT shop operated and managed by another CCAP partner producer.
- 22
- No, China is very difficult, we were not allowed to use Fair Trade in our
 - Chinese company name
 - FLO and IMO were not allowed to do the FT certification in China

- 23
- More eco and green
 - Create more chance to women
 - Pay fair wage to artisans
- 24
- Fair Trade movement has already knocked at the doors of educational institutions - schools, colleges, universities to attract the younger generation who will be not only the prospective consumers of Fair Trade products but also will provide leadership to spread the movement far and wide.
 - Innovative marketing strategy to enter into the markets of countries with high income levels which offer scope for deeper penetration into Fair Trade market
 - Widening the scope of domestic market of Fair Trade products where growth rate of economy consistently has surpassed most of the Developed nations. With rising number of 'Middle class' in India having higher education level and 'disposable' income can be a booming market for Fair Trade . The rising aspirations of this section of conscientious consumers who whole heartedly support all the ten standards of Fair Trade from heart are ushering a true revolution in the area of Fair Trade and the impact of this revolution has entered into the area of main stream too. All our Fair Trade organisations are working in this direction to tap our huge potential market with 1.27 billion of population .
- 25
- Nothing much. There is a growing middle class which is looking for products with a difference.
- 26
- Market demand is growing for Fair Trade & organic products, but the demand is most centred around food products. Craft still has a long way to go...
 - We have a number of serious, committed Fair Trade retailers operating on a for-profit and sustainable basis.
 - Major supermarket chains are increasingly stocking a wide variety of Fairtrade products, but they are still primarily targeting the foreigners living in Hong Kong. Fair Trade Hong Kong, a local charity, is working to change that.
- 28
- Increased visibility and growing strength of the country network- Fair Trade Forum India has benefited member organisations by way of improved information dissemination, capacity building and networking at the national level.
- The country network is developing alternative sales strategies and capacity building initiatives to increase sales in the domestic market.
 - Fair trade players are setting up retail outlets to increase visibility of their products at the national level.
- 29
- Fair Trade awareness is increasing, especially for the organisations trying to export crafts / food / cotton. Some universities are considering FT in their curriculum
 - Craft FT producer members feel label is a must for their products and hence every member is looking forward to early implementation of WFTO/WFTO-Asia's SFTMS intervention
 - Fair Trade Forum-India is now clearly focused on strengthening the movement in the country. Some of their initiatives are (1) Strategic Plan 2008-2012, (2) Domestic marketing Initiative, (3) Fair Trade Cotton Project, (4) ProSUSTAIN etc which will go a long way in supporting new & small members
- 30
- Its very new in Sri Lanka
- 31
- Establish Thai Fair Trade Forum
 - Plan to create and launch Thai Fair Trade Logo on Thai Fair Trade products
 - There are more Thai Fair Trade shops announcement
- 32
- ECOTA Network
 - FAIR trade conference in Bangladesh
 - Regular mail from Fair trade network
- 33
- Increase of fair trade outlets with more than one hundred Over 50% population heard of Fair Trade
 - People are aware of situation of producers and education institutes more active in organizing events and talks regarding the issue
- 35
- Awareness of fair trade in the country
 - Fair Trade reaching to students
- 36
- Environmental Friendly Products
 - Re-use of Raw materials products

- 37
- Fair Trade has wider visibility now on the government level and in the civil society.
 - We have a strong Fair Trade network with the national presence having 75 member organisations.
 - More Awareness among the consumers and the students about Fair Trade.
 - Favourable mainstream trend towards Fair Trade in the domestic scene.
 - The government cluster development initiatives taken for the Fair Trade organisations/artisan groups.
- 38
- Trying spread the message of fair trade in common people
- 39
- Fair Trade become more understandable, especially for NGO and it's beneficiaries
 - Increase of community's awareness in keeping the environment sustainability.
 - Fair Trade become more known by the community compare to previous years.
- 40
- Our business is so different from all other Indonesian fair-trade organisations that we are not in touch with what trends they might be feeling.
 - However, where our work overlaps with that of rural NGOs in eastern Indonesia dependent on overseas funding, there has been a noticeable movement away from supporting small-scale livelihoods (including fairtrade) initiatives towards governance and civil society development.
- 41
- Thai nationals are still largely unaware of fair trade, and buy on price and brand
 - Rising Thai baht currency is making exports to the North more difficult
 - Shipping increases purchase price by 30%. No export info available.
- 42
- People are aware
 - Customer want to know more about behind the product
- 43
- We try to settle a Fair Trade Laos Business association
 - we are 3 WFTO certified companies now! but others shw slowly interest
 - Donors are willing to support the development of FTL.
- 44
- "A Green Business" with concern for wood sourcing environmentally safe dyes and resource sustainability purchasing choices help support environmentally sound material and practice by artisan groups. This is the most important trend and development.
 - The Government encourage uphold handicraft by reduce tax for this job.
- 45
- The development of recycled product
 - Market demand on environmentally friendly product
 - The increasing number of local company would join the fair trade movement
- 46
- Fair Trade movement is growing and many producers and exporters like to become members of local fair trade organisation to promote their products to the Fair Trade buyers.
 - We could organize advocacy and consumer awareness through World Fair Trade Day, different fairs, interaction programs, rallies, etc.
 - We could build networking with national organisations (like Federation of Handicraft Association, Chamber of Commerce, etc.) and international organisations (like JICA, KOICA, FK South- South Exchange Programmes, EU, etc.).
 - We could organize WFTO Biannual Conference in Nepal in 2009.
- 47
- Development of networking with different organisations and government section.
 - Expansion of Fair Trade activities locally and nationally.
 - Expansion of partnership with like minded organisations/ persons advocating
 - Fair Trade ethics.
- 48
- People are showing there interest about fair trade
 - Main stream market is also getting interest
 - Government also want to cooperate this sector
- 49
- The creation of the Fairtrade Shops in Cebu in August 2009 and in Cagayan de Oro City which Salayhandmade operates since October 2009
 - The SFTMS, where we are one of the 3 pilots of the Philippines

- Advocacy work for Fair Trade we are having as integrated in all our activities

50

- Trying to inter into food products
- Increased awareness on Fair Trade
- More commercial business attracted towards joining Fair Trade

51

- In Thailand, Fair Trade is not known generally. There is a recent surge of interest in social enterprise among academics and business schools. As there are few social enterprises in Thailand, ThaiCraft is sought as an example and, through that, our Fair Trade values are promoted.
- The Thai government has started research into ways it could promote Social enterprises as well as creating a legal entity for SE. However, it is still research and not certain if it will get very far before a change in government.
- Fair Trade is beginning to attract some media interest but in a small way so far.

52

- Fair Trade is a very new issue for Thailand, more than 99% don't have awareness on Fair Trade.

53

- The Word "Fair Trade" nowadays is more mentioned in Peru
- There are more projects and organisms of Fair Trade, even if many of them are not really Fair Trade
- Decrease in the movement quality: "Fair Trade" competes with the seal of "Social Responsibility" and is not necessarily considering the practice of ethical and moral conduct in business issue related to the marginal producer.

54

- Some groups like "Solidarity economy" are beginning to organizing themselves

55

- Bolivia is starting to get a Fair trade label with the message "usted puede vender sus productos con 25% más" (you can sell your products with the 25% more"), showing that the 10 principles of Fair Trade will be applied, however we do not believe they will do it. They have adjusted the entry conditions to facilitate the achieve of Fair Trade label in Bolivia to producers groups, without verifying if they are accomplishing all the fair trade principles, let's see how it evolve.

- After the entry of Ayni Bolivia, AHA and Nanay to WFTO, the message of WFTO to WFTO from Bolivia is that "everybody that practices Fair Trade can be membership from the network of Fair Trade". Some years ago the message was that just the originals Andeans groups could be memberships of WFTO, producing a discrimination to private organisations, now we know it isn't true but we should disseminate this information

- The concept of Fair Trade is too distorted in Bolivia and the principles of Fair Trade are applied according to the convenience of certain groups in each sector, this has created the mistrust in general consumers and consumers from the North. We need to strength of WFTO to confront clashes, and also concept clashes that should be clear

56

- The Peruvian network of Fair Trade develops the commercialization in local and national level through bio fair and the selling of crafts and food in fair trade stores
- The WFTO platform of WFTO
- The government interference, they are certifying enterprises that do not accomplish the Fair Trade criteria and are damaging the movement

57

- A forest cooperative that certified Fair Trade by FLO
- Increased interest of the city council on producers and fair trade products
- Several groups of coffee producers are certified in Fair Trade with FLO

58

- Increase of a responsible and ethic consume: increase of sales
- The government is getting interested by Fair Trade: the promotion agency ProChile invited the Director of the World Fair Trade Organisation to Chile, and many workshops to promote Fair Trade were done
- Alliances of the WFTO members with the government: "Comparte "

59

- The Fair Trade idea is to start having son access to enterprises and final public.
- Fair trade on local market is a very particular way that deserves reflection and systematization.
- It is creating a organisation groups with concrete experience, that could build a thought about the issue, since its experiences.

- 60
- Government (Department of Tourism) seminar's on Fair Trade
 - FT Principles well implemented in our organisation and the weavers groups
- 61
- Increasing organisational interest in fair trade.
 - Taken initiatives for fair trade promotional activity.
 - Customer's awareness is rising in fair trade.
- 63
- The plan to establish more Fair Trade shops.
 - Encouraging more businesses to go "Fair Trade".
- 64
- Fair Trade became a promotional tool
- 66
- Improved communications.
 - Production sharing in big orders, Consolidate order from buyers and consolidate shipments to buyers which has reduced shipping cost as well as environmental impact as consolidated shipments uses ocean freight rather than air.
 - SFTMS labelling initiative, we are enthusiastically piloting the SFTMS and excited to use the logo in the products.
- 67
- Increasing efforts towards fair trade advocacy
 - Consumers becoming more aware of business ethics and environmental concerns
- 68
- Awareness is increasing
 - Interested organisation is trying to involve with Fair Trade sector (membership: due to requirements from their buyers)
 - But still mass people are in dark on Fair Trade issues.
- 69
- More people want the label.
 - Retailers like Body Shop, Boots, Co-op selling Fair Trade products
 - Even one can make a difference
- Challenges and Opportunities**
- All producers except nr. 1-12, 27 and 34 filled out this part of the questionnaire*
- 13
- Promotions of the Fair Trade Mark
 - Promoting the Fair Trade Shop to the General Public
 - Franchising Plan of the Fair Trade Shop
- 14
- Neo liberalism with no concerning with poor people
 - Customer life style
- 15
- Many of AAC's member organisations becoming a social enterprises or businesses, the global recession makes them very difficult to maintain the way that they are trying to comply to the fair trade standard. Meaning that because their operation is based on the income/profit generated from the sales and some of them worry about getting enough money to keep paying their producers and staff a living wage.
 - Most of AAC's member organisations are ready for markets, so it is very good to help increase market access or market place for the national fair trade.
 - No resources supported to the promotion of fair trade so the national fair trade is not so strong and I see it will continue in the same way. One hand do a lot of core work of the organisation and another try to promote fair trade.
- 16
- Getting payments from customers ! (especially those claiming to be involved in Fair Trade...)
 - Improving Baladarshan's visibility / increasing the number of orders especially from wholesalers who are still extremely difficult to approach (i.e. we mailed several times to Solidarmonde in France or Ten Thousands Villages in USA without even a single reply from them)
 - Developing Baladarshan (Fair Trade) and Human Trip India (Fair Tourism) network
- 17
- Market led design and product development process
 - Lack of entrepreneurship of Artisan groups in searching market
 - Capital to accelerate production capacity

- 18
- Challenges
 - o Quality yarn
 - o Energy availability
 - o Skill producer
 - Opportunities
 - o Government is more supportive about Export formalities.
 - o Each buyer is increasing their order.
 - o Quality is increasing day by day
- 19
- FT to be part of mainstream for local consumers
- 20
- To establish living wage
 - Giving works to the producers around the year
 - Management training, financial and administrative training for all producer groups
- 21
- Sustainability of the Phil. handicraft industry i.e. quality raw materials, skills i.e. design, weaving, production capacity, and costing and pricing
 - Business competition between and among FTOs and mainstream/commercial exporters
 - Continuing global economic crisis
- 22
- To convince the Chinese government in all its levels that FT is necessary
 - Help 25 small Chinese companies to become FT
 - To keep up our high quality level for a reasonable price
- 23
- Material has non-stop increased => need better management and preparation
 - Requirement from customers: consistent good quality with good prices whereas material, labor cost increase. => need to promote productivity, encourage creativity and improvement in management to get efficiency.
 - Decline in skills of traditional villages, more industrialization => support to cultivate traditional craft, improve their living condition, and develop combination of new trend and tradition.
- 24
- Challenges:
 - o Spreading Awareness and the very essence and ideology of Fair Trade to a yet wider section of our vast population.
- o Pressure by northern importers on southern marketing organisations to lower the FOB rates.
 - o Volume of order from importers fall much below the expectations of the producers. Orders from F.T market keep the craftspeople engaged maximum for 6-7 months in a year.
- opportunities:
- o Wider market with our innovative promotional material , periodic upgrading and updating our website , participation in International trade fair and developing human resources
 - o Stepping in the retail market for the first time through Fair & Square shop due to open soon in Rome ; opening up new opportunities of making Fair Trade products popular in European markets
 - o Our solidarity and harmonious relationship among all the partners in the supply chain give us enough confidence of a brighter future ahead of us
- 25
- Beating the price competition.
 - There is a lot of opportunity for utilitarian products.
 - Fair trade has the whole world to grow.
- 26
- Finding more handicraft products that are a match for the needs of local, Hong Kong people; in general, they tend to want very different products to the European and North American markets for which Fair Trade products are primarily designed.
 - Increasing turnover at our shop; this may come by increasing throughput, but given that our location is off the beaten path, it may need to come by adding wholesaling operations or other types of partnerships to our work.
 - Seeing the city of Hong Kong continue to emulate their European colleagues and embrace Fair Trade (and ethical trade in general) at a much deeper place in the society.
- 28
- EMA's in-house production unit helps strict monitoring of production of quality products, payment of fair wages and additional benefits to its artisans.
 - The FOB price needs revision on a regular basis to ensure EMA's compliance with fair trade standards.
 - Volume orders are required to increase visibility of EMA's products and provide a sustained income to the artisans.
 - EMA's location in rural Bengal enables it to carry out sufficient community development activities in the surrounding villages.

- 29
- Entry in to international market through Fair trade route
 - International marketing of Organic Food along with craft
 - Capacity building of producer groups
- 30
- To make WFTO - Global & Asia useful to its members.
- 31
- Promote Fair Trade in Thailand
 - Integrate local social enterprise Fair Trade organisation
 - Find the way to survive of Fair Trade organisation during this weak global economic.
- 32
- Commercial company are getting registered in WFTO
 - Commercial company are opening office within the country
 - With Fair trade support, we can extend the market opportunities
- 33
- Lack of available Fair Trade products in nearby areas and that is suifigure for Asian people.
 - Even though there are more than 50% population heard of Fair Trade, the challenges are how to link the awareness/knowledge to practise.
 - How to spread the Fair Trade message wider and deeper to more population.
- 35
- Market Access
 - Pricing of a product
 - Technical up gradation of the producers
 - Awareness on fair trade products is an opportunity
- 36
- Production planning & Coordination
 - Changing European Regulations
 - Quality Control systems
- 37
- Scaling up and Sustainability
 - Understanding/Implementation of SFTMS (Sustainable Fair Trade Management System)
 - Regular orders/work for the producer groups
- 38
- Marketing of artisans products
 - Design and Development
 - Competition with commercial organisation
- 39
- A lot of regulation and requirement from buyer (or buyer's country) make the business much more difficult. The requirement sometimes costly and it's mean increase on operational cost.
 - There are a lot of potential markets for Fair Trade product. There are still small market shares for fair trade products.
 - Improvement of Pekerti's service to buyer as the improvement of producers' capacity.
- 40
- Increasing production levels in weavers' cooperatives to meet growing market demand while maintaining our high quality control standards.
 - Improving middle management skills to cope with an expanding business.
 - Developing overseas retail markets outside of the tourist sector in Indonesia.
- 41
- Selling discretionary purchase items into Northern markets in consumer recession (US, UK, most of EU)
 - Finding qualified management staff and information about export/import
 - Strong Thai baht against weakening currencies in markets.
- 42
- Asia is responding
 - Natural dye product
 - Customized order from England
- 43
- we need acces to bigger markets in order to bring more financial stability
 - we need more people with managment skills for our farm and village networks and support for marketing
 - our oppourtunities are: we can produce a consistent high quality in quantities, we have developped new quality products (knitting and embroidery silk threads , herbal tea,) and we can present them in Fair Trade Faires.

- 44
- Today, young people in handicraft village have more choice for their occupation, income from other job is higher and easier, less and less people working for handicraft production.
 - Urbanise is faster and wider the less plane for natural material
 - Standard of eco friendly products is restrict the producers in getting and using material source.
- 45
- Wood certification (FSC)
 - Market demand on material of non- China
 - High demand on low price
- 46
- Availability of raw materials is usually a problem to finish orders on time, because some of them are imported.
 - The unsfigure political situation (frequent strikes, asking for donation, etc.) affect our works.
 - Scheduled and unscheduled load-shedding.
 - Our producers are disabled so they cannot work as normal people, so sometimes we find it difficult to complete orders on time.
 - Price of products are going higher, due to increase of the price of raw materials, but our buyers do not want to increase the price they pay to us.
 - Product duplication.
 - The orders have decreased due to the global economic recession.
 - Responsible consumerism is not strong.
 - Fair Trade movement is just centred in Kathmandu (main city), still couldn't go to different parts of country.
- 47
- Strengthening the market face.
 - Management challenges of Fair Trade partnership
 - Political situation of Nepal
- 48
- Establishment of fair Trade Movement
 - A relation build up with Buyer , artisan and organisation
 - Local Producers Business Volume is increasing
- 49
- To get an SFTMS Certification and be able to use its label as a fairtrade company
 - To survive amidst the global financial crisis and be viable as a business while being a fair Trader
 - How to overcome climate change induced changes in our manufacturing process
- 50
- Opportunities:
 - o Increase in number and volume of order from buyers
 - o Support from Fair Trade Networks
 - Challenges
 - o To strengthen internal management to cope with growing order and sales
 - o Government Instability and No Support
 - o Capacity Building of grass root producers goods.
- 51
- Fair Trade is still unknown in Thailand – very difficult to use this as a USP in the local market. ThaiCraft has better success with foreign residents and visitors. Thai people, even wealthy middle class, difficult to penetrate. Great need to popularise ethical trading ideas and create a new trend for consumers.
 - The high value of the Thai Baht against major currencies and higher cost of living than competitors makes Thai products expensive even if they are of good and consistent quality. Fair Trade markets in global North seem mostly directed to cheaper ranges.
 - Steep competition in furnishings, accessories, etc., plus copyright issues are main challenges on the local market. Traders do not see any value in higher wholesale costs on account of Fair Trade as customers do not demand this.
- 52
- Regular order for producers.
 - Building awareness of Fair Trade among producers.
 - Sales target
- 53
- To promote honesty, transparency and more justice in the resources distribution inside the movement
 - To promote the search of alternative markets for producing camelid fibbers raw or processed and continuing with the Campaign "Salvemos a las alpacas de colores". (Saved the colour alpacas)
 - To continue representing in the international market the 22 organisations of rural indigenous producers that involves more than 3000 agricultures artisans, which have been working for more than 20 years.
- 54
- To maintain our institution, despite the financial deficit in the last 2 years
 - Seeking new markets
 - To participate in the International Fair

- 55
- A new store in the most expensive place in La Paz city, where Fair Trade Could be sell and promoted
 - The Safety certification of our toys in the United States
 - To participate in the “expoartesania” in Colombia
- 56
- The SFTMS certification is conducting the plan of improvements and developing new products
 - Developing the area of food exportation
 - Construction of the new CIAP headquarter, we have the Project plans. Since one year ago we are waiting the building license in the municipality
- 57
- Increasing the sales of COPADE Fair Trade store
 - More participation in fairs and exhibitions
 - Producer and consumer awareness about fair trade and responsible consumption
- 58
- To consolidate the self financial sustainability of the commercial system of the fair trade with mapuche artisans
 - To open a distribution place and commercial representation of the Chol Chol foundation in Indiana, and the United States
 - To criticize the model of fair trade (organisation, identity and quality, commerce) with Andeans communities in the Bio- bio region
- 59
- Rearrange the Association in the more economic way
 - Create partnerships with related organisations which has common goals, to have better results in particular way and for the sector .
 - Create solutions for distance monitoring of the groups that have been through workshops for qualification in order to maintain communication and contribute to the creation of an economic sector, between small and numerous initiatives
- 60
- Competition in country by other handcraft shop that have finishing product in outside of the country such as Indonesia
 - Export our product to other countries – there is no system in place to deal with the exporting
 - Low local customers- the customer of our products is foreigners.
- 61
- FT leaders are not together in real initiatives to develop fair trade business.
 - Ecological raw materials access.
 - FT buyer are not increasing as like producer groups.
- 62
- To set the Fair prices that meet the FT customers satisfactory
 - Quality standard
 - High cost of sending the goods
- 63
- To get more buyers
 - To supply traditional traders of Fair Trade products.
 - To plant more buri seedlings.
- 64
- Growth of un-ethical competition
 - Market is growing (Spuer stores/ Chain shops)
- 65
- In future we will have to depend on artificial raw materials instead of natural raw materials.
 - To protect the environment the users will be inclined more on natural products.
- 66
- To get best quality locally sourced raw materials
 - Political instability in the country, which has brought about frequent general strikes, electricity power cuts creating difficult working environment.
 - Uncontrollable inflation together with cost of maintaining high quality production system is raising the FOB price. This is making it more difficult for us to compete in International market.
- 67
- Improving product development and business management skills of partner producers
 - Expanding markets and increasing sales volumes
 - Becoming FT certified
- 68
- Develop Artisan’s skill up to the mark of export quality.
 - Meet up customer’s requirement

- Involvement with SFTMS is an opportunity for improvement as sustainable business and as well as challenges of us to Develop, maintain, follow Fair Trade Policy requirements within our social circumstances, money inflation and world economic crisis etc.

69

- Run a responsible and accountable business successfully
- Inspire others to do something
- To grow with Love not jealousy.

70

- To be more competitive in terms of quality & price.
- To create own fund to run the business smoothly
- Building capacity of artisans.

Most important successes of the past three years

All producers except nr. 1-12, 27 and 34 filled out this part of the questionnaire

13

- Establishment of the Fair Trade Shop
- Being part of the core group that established the Phil. FT Mark

14

- Export market facilitation for small micro enterprises who are the members and participants of Apikri Cooperative
- Product development
- Replanting program

15

- Organized "Buy Cambodian Products" Handicraft Trade Fair at National level
- Many of AAC's members were sent to attend the international trade fairs/shows through either collaboration with Export Promotion Department of Ministry of Commerce or AAC's network.
- Trade facilitation
- Handicraft organisations in Cambodia similarly to AAC had completely closed down meanwhile AAC still operates so does its member organisations.

16

- Launching Varnajalam project (promotion of recycled polyethylene wire hand-knitted baskets by slum women)

17

- Identification of skill master craftsman locally in the working area

- Networking of small craft producer groups at local level to work collectively
- Established linkage with marketing organisations at national level

18

- Find the donor to expand handicraft production center
- Manage to find 4 new buyer in different country
- Enrolled 55 new artisans in the production.

19

- Coffee Alamid established in the mainstream market as specialty coffee
- Community based roasting facilities for BOP

20

- WFTO membership
- Establish brand name in Bangladesh
- Established a new department for producers-Social compliance and Producer Relations

21

- Immediate replenishment of damaged goods worth US\$ 44,274.06 (ready for shipment) and on-going rehabilitation of CCAP showroom, warehouse, and building facilities, and extension of calamity assistance (tools and equipments for bamboo production) to typhoon affected producers through donations from buyers and local FT advocates;
- Compulsory Fair Trade orientations to all CCAP artisans (almost 1,000 producers) and expansion of new partner producers (4);
- Value Chain Analysis through warehouse facility development based in producer's community;
- Sustainability of CCAP market amidst local natural disasters and global economic crisis.

22

- Last two years were difficult as a result of the financial crisis
- Women groups like to continue to cooperate with us
- Our tea project is in the third year of organic certification
- This year we are in the SFTMS 2010 pilot project

23

- Build a house for disabled to live and work, training tailoring skills to disadvantaged women and create susfigure job for them to earn decent living.
- More development with current long-term customers base
- Overcome economy crisis with turnover increase, expand to Asia market

- 24
- Human Development Index (HDI determinant of UNDP) of our producer groups and of the CRC team has been raised . Three determinants of HDI – knowledge, life expectancy and per capita income have gone up by more than 45%.
 - Accredited by WFTO to use its logo on our official papers and other promotional documents
 - Steering through the global meltdown period successfully with marginal drop in 2009 -10 turnover which did not adversely affect our harmonious partnerships with the producer groups
- 25
- We have been able to enter into main stream market.
 - Establishment of new producer groups
 - Production of utilitarian products.
- 26
- Launched our online shop (after a number of unsuccessful attempts).
 - Successfully attained membership of WFTO-Asia, including the full audit.
 - Facilitated the registration of Fair Trade Hong Kong as a local charity.
- 28
- There has been a quantum growth in the products being produced within EMA's in-house production units.
 - EMA's strategic management functioning has become more business efficient, transparent and democratic and easily accessible to all concerned stakeholders.
 - EMA's growing business has had a positive impact on both artisans and staff by way of better income opportunities and improved working conditions.
- 29
- Membership in WFTO
 - Organic certification
 - Starting of a Producer Company owned by the producers themselves
- 30
- Getting ISO certification
- 31
- Strong Knowledge of Fair Trade by producers & all partnership
 - Increasing the number of consumers & producers
 - Announcement for coconut milk in Thailand as Fair Trade products.
- 32
- Opening local outlets
 - Developing website
 - New product line of jute bag
- 33
- We have conducted around 100 times of seminar and directly reached out to over 100,000 people.
 - FAIR CIRCLE has over 3000 members and recruited about 100 volunteers and active supporters
 - Steady increase of turnover
- 35
- New Design Development support to producers
 - Market Access to producers
 - Few steps to promote fair trade among commercial buyers
- 36
- Working on the combination gift products.
 - Participating Mainstream Fairs and get Commercial Contacts.
 - Market Promotion Tours
- 37
- Entrance in the Mainstream market
 - S.A.8000 certification
 - Diversification into livelihood finance, health programmes on the community Level
- 38
- Regular buyer from USA
 - Regular buyer from Canada
 - Add one buyer from Australia
- 39
- Improvement of the standard level of Fair Trade implementations.
 - Succeed to help Yogyakarta's earth quake survivors trough built and renovated more than 500 temporary shelters
 - Our product development program has been produced many products that accepfigure to the market.
- 40
- Have maintained business growth throughout the global recession.
 - Totally re-built the business website.
 - Opened a tour group aspect to the business to visit producer groups and
 - Compliment our retail business.

- 41
- Contract with King Power, duty-free shop owner at Bangkok Airport
 - Contract with 2 museums/art galleries in BC, Canada
 - Admission to Thaicraft monthly sales in Bangkok
- 42
- Got more order from korea
 - More developed product from re-cycle
 - Local market is responding
- 43
- getting WFTO certified in 2009 and organic certified in 2010 for our farm getting a 10 000 scarf order done in very short time with the village weavers network. Getting satisfaction letter from the customer and a second order of the same amount.
 - getting young laotian people in our company strongly committed to the FAir Trade,
- 44
- Supply more work for disadvantage people
 - Has long term relationship with customers and producers
 - Business & social audit have been carried out over the last 3 years regularly to assess the needs and to measure the progress of development.
- 45
- Product quality
 - Quick response
 - Good price and fair
- 46
- We could find some new buyers.
 - We could provide trainings to new producers (leather goods, paper, beads, etc.).
 - We could set up enough funds for staff future retirement benefits (gratuity etc.)
 - We could help one of the producers for her rehabilitation by building house.
 - We could demonstrate that disabled people can also be empowered to stand on their own feet and eliminate stigma.
- 47
- Chunks development
 - Wool products
 - Natural dyes
- 48
- Product diversification
 - Launch New Product in Market
 - Environment Friendly Production House
- 49
- Able to get a certification to use the WFTO logo in April 2010 – December 2011
 - Invited as focused Fair Trade partner of Traidcraft and Ten thousand Villages in their yearly Workshops
 - Networked with Advocate of Philippine Fair Trade Inc. (APFTI) and opened the second fair Trade Store in the Philippines in Cagayan de Oro City
- 50
- Annual sales growth by more than 15 %
 - Completed 20 successful years of serving small and marginalized producers and celebrated 20th anniversary.
 - Representation in Fair Trade Networks: eg: President of WFTO Asia, Vice- President Fair Trade Group Nepal
- 51
- To organise Fair Trade Fairs (retail) in downtown Bangkok at least twice a month. During the peak season (Oct-Dec 2009) every week, plus extra events.
 - To start develop a “corporate gift/procurements” market in Bangkok
 - To survive through the world economic crisis and national political unrest
- 52
- New market access for local
 - Opened local Fair Trade Shops
 - Create a network of small cooperative group who believe in Fair Trade
- 53
- We validated with importers and producers our alpaca collection, done with textile technology elaborated in base to the ancestral technology to beneficiate the Andean producers.
 - Comprehensive training, that has been implemented in the producers’ organisations in the High Andean zone is having great results, ensuring their protagonist participation in all the activities related with the Project of Tourist places for visitants of their communities.
 - We are proud to have contributed successfully in the formation – for the first time in the national producers organisation of camelids named “Confederación Nacional de Productores y Conservadores de Camelidos Peruanos” “NATIONAL CONFEDERATION OF PRODUCERS AND CONSER-

- VATIVES OF PERUVIAN CAMELIDS. This organisation groups more than 300,000 rural households owners of alpacas, llamas y vicuñas and we have accepted their invitation to serve on its Advisory Comitte
- 54
- Kids ornaments in mate (pumpkin)
 - Pigeon courier in ceramic
 - Wool clothes
- 55
- To obtain the FTF (Fair Trade Federation) CERTIFICATION
 - Winners of a toy exported to Canada "Voted by Neighbourhood Toy Stores of Canada, one of 5 "Latest and Greatest" toys for Christmas 2009"
 - To achieve the WFTO membership
- 56
- The incorporation to the CLAC that is the coordinator of small Fair Trade producers in Latin America Caribbean
 - Certification system SFTMS
 - Active participation in the implementation of the Artisan law
- 57
- The acquisition in groups of the certification of Cadena de Custodia FSC
 - The inauguration of training center COPADE Honduras
 - The acquisition of the WFTO certification to COPADE Honduras
- 58
- Initiation of self financial sustainability of Fair Trade with mapuche artisans
 - Increase of artisans, from 150 weaver in 2007 to 40 artisans with different craft items
 - Commercial relations with 25 stores of the United States and a distributor in Japan
- 59
- Have a consistent view about the possibilities and limits of Fair Trade, in Brazil since the experience of nine years.
- 60
- Shop's sales
 - Christmas Fair
 - Eater Fair
- 61
- Development in product quality.
 - Development in fair trade.
 - Producer development.
- 62
- Wooden product
 - Silver jewelry
 - Accessories
- 63
- One buyer was able to sustain the general operation of the coop.
 - The commitment of our artisans to the production of crafts.
 - Living out the coop principles and Fair Trade Standards
- 64
- Sales growth in spite of the economic recession
 - Exclusive growth in product line
 - Use of recycled crafts
- 65
- We develop product by recycle plastic
 - Our women Artisans are now taking part in the family decision.
- 66
- To be able to continue operating all the social activities with income generated through our income generating programmes.
 - Steady increase in our production and sales.
 - Infrastructure development to cater for growing need of spaces for Showroom, QC room, Warehouse, improved day-care centre for trainees, producers and staff.
- 67
- Controlling expenses to minimize impact of low revenues
 - Managing to participate early this year in an international exhibit despite the high costs
- 68
- Productivity has increased.
 - 30 women employed as full timers in sewing section
 - TARANGO's sell has been increasing since 2007 due to new customers
- 69
- Survival
 - More women who are employed with respect
 - Reduced Waste
- 70
- Regular job for artisans.
 - Organize training for creating new artisans in leather sector
 - New range of products for European main stream market

ABBREVIATIONS

DAWS	Dutch Association of Worldshops
COFTA	Cooperation for Fair Trade in Africa
CAJUNz	Canada, Australia, Japan, United States of America, New Zealand
FINE	the association of the four major Fair Trade networks: F air Trade Labelling Organisations International (FLO), the former I nternational Fair Trade Organisation (now part of WFTO-Europe) N etwork of European Worldshops (NEWS!) and the E uropean Fair Trade Association (EFTA)
FLO	Fairtrade Labelling Organisations International
FLO-CERT	The inspection and certification body for labelled Fairtrade
EFTA	European Fair Trade Association
ILO	International Labour Organisation
UNCTAD	United Nations Conference on Trade and Development
NGO	Non-governmental organisation
SFTMS	Sustainable Fair Trade Management System
IFAT	International Fair Trade Association
FLSA	Fairtrade Label South Africa
FTSA	Fair Trade South Africa
FSC	Forest Stewardship Council
B-BBEE	Broad-Based Black Economic Empowerment
GATT	General Agreement on Tariffs and Trade
GMOs	Genetically modified organisms
GNI	Gross National Income
WFTO	World Fair Trade Organisation
WFTO-Asia	World Fair Trade Organisation – Asia
WFTO-Latino America	World Fair Trade Organisation – Latino America
WFTO-Pacific	World Fair Trade Organisation – Pacific

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Fair Trade Original, sweets, Malawi
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